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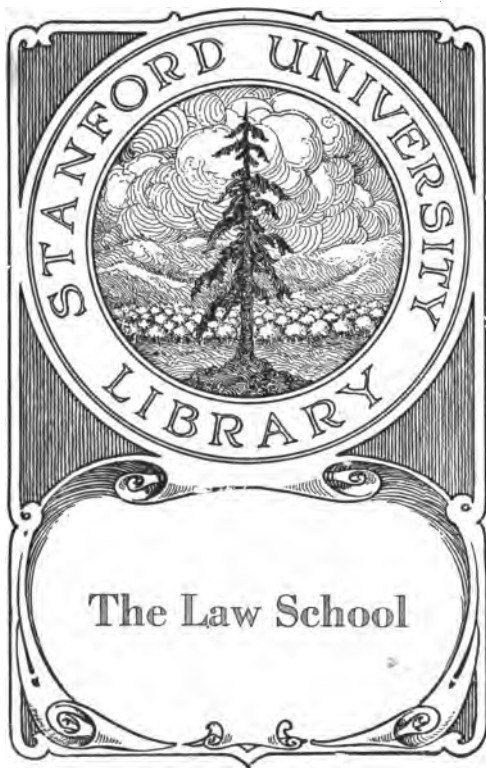
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BIENNIAL REPORT

OF THE

Board of Railroad Commissioners

OF THE

STATE OF CALIFORNIA,

FOR THE YEARS 1895 AND 1896.



SACRAMENTO:

A. J. JOHNSTON, : : : : SUPERINTENDENT STATE PRINTING.

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## MEMBERS STATE BOARD OF RAILROAD COMMISSIONERS SINCE ORGANIZATION OF BOARD.

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### FROM 1880 TO 1883.

J. S. CONE .....	First District.
C. J. BEERSTECHEER .....	Second District.
GEORGE STONEMAN .....	Third District.

### FROM 1883 TO 1887.

G. J. CARPENTER .....	First District.
WILLIAM P. HUMPHREYS.....	Second District.
W. W. FOOTE .....	Third District.

### FROM 1887 TO 1891.

A. ABBOTT .....	First District.
P. J. WHITE .....	Second District.
JAMES W. REA .....	Third District.

### FROM 1891 TO 1895.

WILLIAM BECKMAN.....	First District.
J. M. LITCHFIELD .....	Second District.
JAMES W. REA .....	Third District.

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H. M. LA RUE.....	First District.....	Sacramento.
JAMES I. STANTON.....	Second District.....	San Francisco.
WILLIAM R. CLARK .....	Third District.....	Stockton.

### OFFICERS OF THE BOARD.

H. M. LA RUE, <i>President</i> .....	Sacramento.
SAMUEL NEWMAN, <i>Secretary</i> .....	San Francisco.
JAMES V. KELLY, <i>Bailiff</i> .....	Santa Clara.
STEPHEN POTTER, <i>Stenographer</i> .....	San Francisco.

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*Office of the Board of Railroad Commissioners :*

ROOMS 27 AND 28, CHRONICLE BUILDING, - - - SAN FRANCISCO.



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## REPORT.

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*To his Excellency JAMES H. BUDD, Governor of the State of California:*

Pursuant to the provisions of the Constitution of this State, which provides that "said Commission shall report to the Governor annually their proceedings and such other facts as may be deemed important," we, the Board of Railroad Commissioners of the State of California, beg leave to report for the year ending December 31, 1895, as follows:

The first meeting of this Commission, as at present constituted, was held on the 7th day of January, 1895, and permanent organization effected on the 14th day of January, 1895, by the election of H. M. La Rue, President, and Samuel Newman, Secretary.

The regular meetings of the Commission have been held bi-monthly, as well as special meetings when urgent business was presented.

The members of the Board have made personal inspection of various railways of the State, in order to familiarize themselves with the topography of the country through which the carriers operate, as well as the manner of conduct and the facilities afforded to their patrons.

The powers devolved upon this Board, by the fundamental law of the State, are of the most comprehensive character, and are defined as follows:

Said Commissioners shall have the power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad or other transportation companies, and publish the same from time to time, with such changes as they may make; to examine the books, records, and papers of all railroad and other transportation companies, and for this purpose they shall have power to issue subpoenas and all other necessary process; to hear and determine complaints against railroad and other transportation companies, to send for persons and papers, to administer oaths, take testimony, and punish for contempt of their orders and processes, in the same manner and to the same extent as courts of record, and enforce their decisions and correct abuses through the medium of the courts.

The degree of labor incident to a faithful performance of these duties can be readily understood when it is stated that there are at present thirty-eight railroad corporations engaged in the transportation of freight and passengers within this State, exclusive of street railways and companies conducting such business by water. The affairs of these corporations are of the most complex nature, and to act justly toward them and the people of the State requires the exercise of the utmost care, consideration, and judgment. We have at all times given full and exhaustive hearings to all persons feeling themselves aggrieved without the necessity of resorting to unnecessary legal formulas, and it is not our intention in the present report to set out in detail the many minor matters which in the course of our proceedings have been acted upon, but simply to say that such affairs have demanded and received our attention. Our idea is to specify and call your attention to subjects of the utmost importance, and report to you our actions thereon, making such suggestions as from our experience we deem meet and proper.

## RESOLUTION FROM THE LEGISLATURE.

During the month of February, 1895, the Legislature of California forwarded to this Commission the following resolution:

WHEREAS, The fruit, vegetable, and viticultural industry of the State of California is of such great magnitude as to constitute one of the principal sources of wealth to the people of the State of California; and

WHEREAS, It is well known that the cost of transporting such products from the points of shipment in this State to the markets of Eastern and other States is generally in excess of the actual profitable cost of transportation; and

WHEREAS, It is commonly understood that a very large proportion of the charges incident to transportation are occasioned by the use of patented devices; therefore, be it

*Resolved*, That the Board of Railroad Commissioners of the State of California be requested to report to this Assembly, within ten days from this date, a detailed statement of the rates charged for the transportation of the products of the State of California to the Eastern and other markets; and that they advise this Assembly as to what devices are used, and the additional cost of transportation occasioned by the use of such devices for the preservation of fruit; and to report whether or not it is not possible to provide for the use of equally satisfactory devices or plans at greatly reduced rates; and that they give the Assembly such other information as may enable it to initiate such legislation as will relieve the industries of this State in the greatest degree possible; and that the Chief Clerk of this House be instructed to transmit a copy of this resolution to the Board of Railroad Commissioners forthwith.

## REPORT OF COMMISSION TO THE LEGISLATURE.

In compliance with this direction, an investigation into the subject-matter of the resolution was made, and a report of our proceedings was transmitted to the Legislature, but the time limited for reporting thereon was so brief that the investigation made was necessarily of a most cursory character. (For report to the Legislature, see page 71.)

We have since devoted considerable time to the study of this question, and believe that the excessive burden imposed upon the fruit-growers of this State, for Eastern shipments, is to a great extent occasioned by the private ownership of the refrigerator cars used for these shipments. This system we conceive to be pernicious; no good reasons exist why railroad companies engaged in the transportation of fruit, vegetables, and viticultural products of the State should not own and provide suitable cars for such traffic, as well as for other commodities handled by them, and we believe that some steps should be taken by the proper authorities looking to the relief of the great oppression under which these industries now suffer. Unfortunately, the matter is one over which this Commission has no control. The question of private ownership of these cars for interstate shipments rests more properly with the Interstate Commerce Commission of the United States, and has been considered by that body, and recommendations have been made that Congress enact suitable regulations to guard against unjust treatment. We are assured and believe that if such action is taken the shipments of these products of California East will increase annually.

## CLASSIFICATION ON PETROLEUM AND ITS PRODUCTS.

During the month of March, 1895, application was made to the Commission by the Southern California Railway Company and the Southern Pacific Company for the passage of an order rating petroleum and its products (in less than carloads) as first-class, instead of its present

rating as third-class. The presentation of this petition developed much opposition from many of the merchants and consumers of the State.

The reasons urged on behalf of said applicants are set forth in the following letters, as well as the protests received:

LOS ANGELES, March 9, 1895.

*To the Honorable Board of Railroad Commissioners for the State of California, San Francisco, Cal.:*

GENTLEMEN: By reference to page 63 of the Western Classification, it will be seen that burning fluid, camphene, and nearly all the oils, take, in less than carloads, first-class rate, while petroleum and its products, in less than carloads, take third-class rate.

In the handling of petroleum and its products the railroad company is at much greater expense and assumes much greater risk than in the handling of the other oils, and yet it is allowed less.

The penetrating quality of petroleum products make it unsafe to load them in the car with other freight, because the leakage which so frequently occurs would result in such damage to dry goods, clothing, groceries, vegetables, meats, and in fact nearly all kinds of freight, as to subject the railroad company to loss far beyond the amounts earned in freight charges.

If in its attempts to protect itself in this direction the railroad must, as it does, run cars especially for this oil, and run them often enough to avoid great delay in moving shipments, even though but a small amount has accumulated, the expense incurred in this extra service is so great that it is not reasonably compensated by third-class rate.

The practice of this company is to run oil-cars to the different portions of its line twice each week, and we find that these cars average about three tons per car leaving Los Angeles, and that, after a short distance on the line is reached and the distribution of the shipment is partially made, the cars are hauled a long distance with but a few hundred pounds of freight each.

In view of these facts, we feel that we are justified in asking from you a ruling permitting us to charge first-class rates on petroleum products when shipped in less than carloads.

Your earnest consideration and reply is respectfully requested.

Respectfully,

F. C. GAY.

SAN FRANCISCO, March 15, 1895.

*To the Honorable State Board of Railroad Commissioners, Chronicle Building, City:*

GENTLEMEN: Referring to our petition, presented in person by the Third Vice-President and General Freight Agent of this company, for an order by your honorable Board amending the Western Classification in its application to California roads so as to properly rate petroleum and its products in less than carloads—as first-class instead of its present improper rating as third-class—in behalf of the Southern Pacific Company, I beg leave to present the following:

As was stated to your honorable Board, the adoption of the present Local Tariff, which was put into effect by the State Railroad Commissioners on the first day of January, 1894, whereunder a very large reduction was made in the local rates charged by this company, averaging a little less than 11%, based on the Western Classification, was not contemplated without making some exceptions. Among the exceptions contemplated was the rating of petroleum and its products. It was proposed, instead of rating petroleum and its products as third-class in less than carloads, that it should be rated first-class in less than carloads; but, through inadvertence, the exception referred to was not brought to the attention of the State Board of Railroad Commissioners, and the tariff went into effect with petroleum and its products rated, in less than carloads, at third-class.

We maintain that upon any theory of classification by which it is designed to spread the revenue necessary to afford the carrier a reasonable return for its service over the various commodities produced and consumed in the territory served by it, so that the greater charge will be laid upon the commodity best able to bear it (i. e., where the consumer or producer will feel it the least), and the lighter charge upon the article or articles of greatest importance to the producer and consumer, with due regard for relative cost to the carrier, petroleum and its products should be rated as first-class.

To this may be urged in reply: Why have the railroads using the Western Classification, of their own motion, placed petroleum and its products, in less than carloads, with third-class articles? The answer is, that classifications are largely arbitrary. The Western Classification had its origin with the Western roads, centering at Chicago, and chiefly with the roads leading from Chicago to the Northwest. Its adoption by other lines has been gradual. For example, it was adopted by the Union Pacific by reason of the Chicago & Northwestern Ry. and Chicago, Burlington & Quincy R. R. (both of them Chicago lines using the Western Classification) crossing the Missouri River and extending their lines into Nebraska, parallel with the Union Pacific, one on the north and the

other on the south. They carried the Western Classification with them and compelled the Union Pacific to adopt it, and in like manner it has been carried into Kansas, Texas, Colorado, and the Dakotas.

Petroleum and its products, in less than carloads, was originally rated higher than first-class, but the control of the shipment of this commodity has, as the Commission well knows, of late years settled into the hands of one or more powerful corporations, which could throw the traffic for competing territory by one or another line, regardless of the facilities furnished for transportation, or of the relative length of the lines, and of the cost of the transportation. The use of this power by these corporations controlling the commodity, and the competition between the various lines running from Chicago to the Northwest, effected serious and unreasonable reductions in rates, and had the result of settling the classification of the article, when in carloads, in the fifth class, and in less than carloads in third class, regardless of the fact that according to all principles of classification it should be rated first-class, or higher, when in less than carloads.

Coaloil should be rated first-class, or higher, for the reason, first, that, while it is an article of general consumption for illuminating purposes, it forms a very small share of the living expenses of an individual consumer, or of a family. So much is this the case that when followed to the final consumer, who must pay the entire cost of production, transportation, middlemen's charges, and profit, the difference between the cost to the consumer, with the freight rate figured at third-class, as at present, or at first-class, as we recommend, or at double first-class, what it was previous to January 1, 1894, would scarcely be noticed in a year's expenses of an individual or a family.

It should be rated at first-class, or higher, because there are few articles found within the first class that, relatively speaking, it costs the carrier so much to handle. It is so extremely volatile that the prevention of leakage is almost impossible. It has to be handled in freight depots with special care, a particular place being assigned to it, and it has a material influence upon the cost of insurance. It has to be loaded with special care to avoid leakage, and it cannot be loaded with other goods, because of its liability to damage them, either by contact or by taint of smell. It damages cars so that when used for hauling coaloil they cannot be used for hauling general merchandise or anything but coarse products which will not be affected by contact with the oil or by the smell from it.

It is extremely dangerous in case of fire, and some of the products of petroleum which are rated with it, such as naphtha and gasoline, are liable to explosion.

The recommendation which we urge upon your honorable Board will not affect the present rating of petroleum and its products, in carloads, nor will it in the least advance or affect the rates on the California product which is used for fuel. We believe that the change is entirely consistent with the public interests, and is certainly wholly consistent with any enlightened view of the theory and practice of classification, notwithstanding the fact of its being rated third-class in the Western Classification.

In conclusion, have to advise that the proposition as now presented means that the petroleum and its products rate, in less than carloads, under the proposed advance to first-class, if made, will even then be on an average 40% lower than prevailed December 31, 1893, and prior thereto.

Yours truly,

C. F. SMURR.

SOUTHERN CALIFORNIA RAILWAY COMPANY, }  
LOS ANGELES, March 19, 1895. }

*The Honorable Board of Railroad Commissioners for the State of California, Chronicle Building, San Francisco:*

GENTLEMEN: Answering yours of March 14th: We send out our shipments of petroleum and its products twice a week, running three cars each time; that is, sending one car to each portion of our line.

The cars average about 6,000 lbs. leaving Los Angeles, but distribution begins immediately, and during the latter part of the haul the cars contain but very little freight.

The distance for the San Diego car is 130 miles; the Barstow car, 141 miles; the San Jacinto and Temecula car, 111 miles.

This, you will see, is very excessive service for the revenue it is possible for us to earn, and there is no possible way that we can consolidate shipments with other freight without incurring greater loss from leakage than we are compelled to assume for this extra service.

Respectfully,

F. C. GAY,  
G. F. A.

OFFICE OF THE SAN FRANCISCO PAINT, OIL, AND VARNISH CLUB,  
 SECRETARY'S OFFICE, 324 FRONT STREET,  
 SAN FRANCISCO, CAL., March 23, 1895. }

H. M. LA RUE, ESQ., *Chairman Board of Railroad Commissioners of California, San Francisco, Cal.:*

DEAR SIR: We notice that an application has been made by the Southern Pacific Company to increase the rate on petroleum and its products from third-class to first-class in less than carload lots. In many instances this would increase the freight rate on this class of goods 15% over the present schedule. The assertion is made by the Southern Pacific Company's representatives that, while this would amount to a considerable increase of freight over present tariff rate, it would not work a hardship on the individual, on account of the small amounts of petroleum and its products used by any one single person. We are of the opinion that local rates are, and always have been, much higher than they should be, and that this opinion is voiced by the entire business community is clearly proven by the action of our leading citizens in inaugurating our new local railroad (the S. F. & S. J. R. R.), and also by their prompt and liberal offers of coin and land as gifts and bonus, and still further by the rapid and prompt action in subscribing over two and one half million dollars in coin for the stock of the new road.

There are other reasons why the present rates should not be increased in less than carload lots. The bulk of this trade is carried on in small lots of less than carload quantities. We contend that the request, as it reads, "petroleum and its products," covers a large commodity only apparent to those engaged in the oil business. It would increase the rate to the farmer not only on coaloil for light, for many of the farmers and residents of interior towns (where there are no electric-light or gasworks) use coaloil in coaloil lamps for heating, thereby taking the place of coal as fuel. Naphtha and gasoline are also the products of petroleum, and large quantities are used for heating and cooking purposes. Cylinder and machine oils for harvesters, threshing-machines, and windmills are, in the main, products of petroleum. It would tend to raise the rate on these articles in the same ratio, and would certainly increase the cost to the farmer to a considerable degree, so he would not only have to pay a higher price for light and fuel, but also for oil for his machinery.

We trust you will arrive at no hasty decision until we can present your honorable body with a more definite statement giving facts and figures in detail, rather than in a general way, as appears in this letter from the Paint, Oil, and Varnish Club, comprised of the following leading firms engaged in the oil and varnish business on this Coast, viz.:

W. P. Fuller & Co.; Tamm & Nolan Co.; Bass, Hueter Paint Co.; Union Oil Co. of California; Yates & Co.; A. C. Dietz & Co.; Standard Oil Co.; Paraffine Paint Co.; G. Ammerup; R. N. Nason & Co.; American Oil Co.; Arctic Oil Works; F. P. Joyce; Magner Bros.; Coburn, Tevis & Co.; J. P. Jourden Occidental Varnish Works; E. B. Read; San Francisco and Pioneer Varnish Works; Pacific Oil and Lead Works; Ensign & McGuffick.

(Signed:) J. P. JOURDEN, President.

(Signed:) SAM MAGNER, Secretary.

SECRETARY'S OFFICE,  
 SAN FRANCISCO PAINT, OIL, AND VARNISH CLUB,  
 No. 324 FRONT STREET, SAN FRANCISCO, CAL., April 9, 1895. }

HON. H. M. LARUE, *Chairman Board of Railroad Commissioners of California, San Francisco:*

MY DEAR SIR: In our last communication to your honorable body we promised to give you some of the practical reasons why the rate on petroleum and its products in California should not be increased from third-class to first-class. That petroleum and its products enter largely into the freight traffic of all California roads we all must concede. That it is as staple a product as any handled by transportation companies is also evident to all. Had this not been the case, it would long ago have been placed in the list of first-class commodities in place of third, as at present.

The coaloil traffic alone is very extensive, as is evidenced by the large quantities daily passing over the lines of the Southern Pacific and other roads in California, and also by the heavy shipments by clipper—nearly every vessel of the Sutton line from New York and the East to this port carrying oftentimes as much as 10,000 cases of ten gallons each, and frequently double and treble that quantity; and, as but a small portion of this product is consumed in this city, it naturally must find its way to the large fertile valleys of the interior. Perhaps by endeavoring to raise the classification (which would increase the rate) the railroad company wish to recoup themselves for the loss of this ocean traffic by levying a heavier traffic upon these same goods when they are forwarded by our merchants to points in the interior. The advance therefor in local freights would undoubtedly tend to discourage shipment by sea.

The cost of a package of ten gallons of coaloil in New York and Pennsylvania is \$1 10 per case, or 11 cents per gallon. The freight by rail to San Francisco is 77 cents per case, or 95 cents per 100 lbs., while the freight by sea is but 50 cents per case. The present

rate on coaloil from San Francisco to Bakersfield, 314 miles, is 74 cents per case, as against 77 cents per case from Pennsylvania to San Francisco, a distance of 3,000 miles. If the advanced rate asked for is granted, the rate from San Francisco to Bakersfield would be 81 cents per case.

The local rate to—

Ager,	362 miles,	is \$1 10 per 100, or 88 cents per case.
Truckee,	209 miles,	is 92 per 100, or 74 cents per case.
Tulare,	251 miles,	is 73 per 100, or 58 cents per case.

The change in classification would increase these rates as follows :

Ager,	362 miles,	\$1 90 per 100, or \$1 04 per case.
Truckee,	209 miles,	1 22 per 100, or 98 per case.
Tulare,	251 miles,	85 per 100, or 66 per case.

Should these rates be advanced it would result in the immediate advance of this necessary product in proportion to the advance in freight by change of classification, and you must certainly be aware of the fact that our local freights are the fetters to our prosperity. It is these excessive charges that have mortgaged our farms and created bankruptcy and distress among the residents of this State. We therefore would pray that you refuse the request of the railroad company to advance the rate upon petroleum and its products from third-class to first-class.

Very respectfully yours,

CAL. PAINT CO.  
MAGNER BROS.  
G. AMMERUP.  
UNION OIL CO. OF CAL.  
ARCTIC OIL WORKS.  
YATES & CO.  
R. N. NASON & CO.

J. P. JOURDEN.  
PARAFFINE PAINT CO.  
BASS-HUETER PAINT CO.  
ENSIGN & McGUIFFICK.  
COBURN, TEVIS & CO.  
AMERICAN OIL CO.  
A. C. DIETZ & CO.

SAN FRANCISCO, May 23, 1895.

*To the Honorable Board of Railroad Commissioners, State of California, City:*

GENTLEMEN: The Railroad Company, through its General Freight Agent, Mr. C. F. Smurr, gives as a reason why petroleum and its products should be rated as first in place of third class, the following: That in order to produce sample revenue the greater charge should be laid upon the commodity best able to bear it (i. e., where the consumer or producer will feel it the least), and lighter charge upon the articles of greater importance to the producer and consumer, with due regard for the relative cost to the carrier. Then petroleum and its products should be rated first-class, for the reason that the consumer or producer will feel it the least. We feel certain that your honorable body will readily perceive that the consumer will certainly feel the effects of this contemplated raise in local freight rates very materially, and it will now be made more apparent on account of the fact that the main producer has already raised his prices on all petroleum products, and on the major part, that is, coaloil, from 40% to 50%; the prices of crude, which they control, perhaps justifying it to a great extent. The railroad company certainly does not think that the main producer objects to this raise in rates, and no doubt they will inform you that the company referred to has offered no objection; for, as they state in their communication later on, giving as one of the reasons why the Western Classification was made to read third-class in less than carloads lots, for the fact that one or more powerful corporations controlling the industry of petroleum and its products could, by using one Eastern competing line against the other, force it to its terms, and did force the Railroad Company, naming the U. P., C. & N. W., and the C. B. & Q., and in a like manner compelling the western lines to adopt its arbitrarily enforced classification—third-class in carloads. If this producer had sufficient power to force all the Eastern roads to its own terms, is it at all likely that it opposes the Railroad Company in this issue? We venture to say that if this change was distasteful to them, the Railroad Company would not even attempt to have the classification changed.

The railroad admits the fact that coaloil is an article of general consumption, but it errs when it states that it forms a very small share of the living expenses of a family, and that, even though the additional burden were imposed, it would not then be felt by the individual or family in a year's expense account. Perhaps not to the representatives of the road in question. We do not suppose that they use one gallon of coaloil in a year, living in the city, where gas and electricity are usually furnished to all first-class, well-equipped homesteads; but such is not the case with the farmer in the San Joaquin Valley, where he cannot obtain these city luxuries on account of there being no gas and no electric light plants in his immediate vicinity. Coaloil is one of his heaviest household expenses—not only does he use it for light, but as fuel for cooking purposes, and for heating his family sitting-room on cold, rainy days in the long, dreary

months. This extra charge will not fall upon those who are able to bear it, but upon the middle and poorer classes, who already have all the burdens they can carry.

Coaloil may not be as pleasant to carry as heavy dry goods, groceries, etc., but it is far preferable to many other products carried by the railroad, and but few have any idea of the extent of the traffic in petroleum and its products. There are some few articles, we all admit, that could not safely be carried in a car loaded with coaloil or any of the more volatile products of petroleum—such absorbents as sugar or crackers in the grocery line; but then, again, it would hardly damage hardware to any extent. Agricultural implements and hundreds of other things could be loaded in the same car without incurring any risk whatever. They only send out the more volatile products once or twice a week, on what they term "Coaloil Days," and they generally have many cars well loaded for all the various towns en route; the travel being very extensive indeed, all of which they admit in their communication of May 15th.

We hope that the figures we have heretofore given you, showing to what extent this advance in local freights would tend to increase the cost of living upon the poorer classes, already overburdened in these exceedingly dull times, on a commodity that only pays third-class, in less than carload lots, on any of the representative roads using the Western Classification. We know and trust that your honorable body understands the fact that it is the sentiment of this entire community that local rates in the State of California, and in fact all over the Pacific Coast, are not only too high, but far in excess of the rates charged on any other of the great railroads in the United States. Of this fact you have been quoted time and again, as the records of the daily press will prove. If you have the interests of the major part of the community at heart, you will kindly leave the rate as it is at present, and by so doing confer a favor, not only upon the undersigned, but upon the great masses of the people of the State of California.

Very truly yours,

THE SAN FRANCISCO PAINT, OIL, AND VARNISH CLUB.

By Committee.

On April 10, 1895, this subject was taken up for consideration, at which time H. C. Bush, of the Southern California Railway Company; J. C. Stubbs, Vice-President, and C. F. Smurr, General Freight Agent, of the Southern Pacific Company, and F. X. Ryan, General Passenger and Freight Agent of the San Francisco & North Pacific Railway Company, appeared and addressed the Board advocating the desired change. The merchants interested having failed to appear at this meeting, the Board decided to continue the further hearing of the question until the 23d day of May, 1895, and issued subpoenas for the parties who had signed the protests against the advancement of the commodity from the present classification. On that day E. F. Ensign, J. P. Jourden, C. M. Yates, C. W. Coburn, J. M. Emery, and J. L. Ebner appeared and addressed the Board in support of their opposition to the change. A full hearing and investigation was held, with the result that the application of the railroad company was denied.

#### POWER OF COMMISSION OVER STEAMERS.

The authority of this Commission to regulate charges for freight and fares by transportation companies other than railroads has been repeatedly questioned by such companies engaged in navigating the waters of the State, and notwithstanding repeated demands on the part of this Board for data concerning the amount and nature of the business transacted, and which it was our purpose to use for the regulation of such charges, we have been unable as yet to secure any recognition from them of our rights to make such demands or to regulate such charges. This question has received the careful attention of this body, and we believe no doubt can exist as to the power of regulation by this Commission. The matter of law here involved was submitted to the Attorney-General of this State for his opinion, which is as follows:



## OPINION OF ATTORNEY-GENERAL.

SACRAMENTO, February 27, 1895.

*Honorable State Board of Railroad Commissioners, Chronicle Building, San Francisco, Cal.:*

GENTLEMEN: Replying to your favor of the 15th inst., in regard to your right "to demand of transportation companies the data essential to be used by the Board in pursuance of its duties in establishing passenger and freight rates over the lines of such companies," I refer you to the following provisions in Section 22 of Article XII of the Constitution, concerning Railroad Commissioners:

"Said Commissioners shall have the power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad or *other transportation companies*; \* \* \* to examine the books, records, and papers of all railroad and *other transportation companies*, and for this purpose shall have power to issue subpoenas and all other necessary process."

For the legislative interpretation of the term "*transportation companies*," as used in the section of the Constitution quoted above, you are referred to Section 14, and the subdivisions thereof, of an Act entitled "An Act to organize and define the powers of the Board of Railroad Commissioners," approved April 15, 1880, which section reads as follows:

"SEC. 14. The '*transportation companies*' shall be deemed to mean and include:

"First—All companies owning and operating railroads (other than street railroads) within this State.

"Second—All companies owning and operating steamships engaged in the transportation of freight or passengers from and to ports within this State.

"Third—All companies owning and operating steamboats used in transporting freight or passengers upon the rivers or inland waters of this State.

"The word '*company*,' as used in this Act, shall be deemed to mean and include corporations, associations, partnerships, trustees, agents, assignees, and individuals. Whenever any railroad company owns and operates, in connection with its road and for the purpose of transporting its cars, freight, or passengers, any steamer or other water-craft, such steamer or other water-craft shall be deemed a part of its said road. Whenever any steamship or steamboat company owns and operates any barge, canal-boat, steamer, tug, ferry-boat, or lighter in connection with its ships or boats, the things so owned and operated shall be deemed to be part of its main line."

In acting under the provisions of the Constitution cited, your duties in regard to fixing passenger and freight rates, both for railroads and other transportation companies, are confined strictly to transportation wholly within this State. In other words, you cannot interfere in any manner with interstate commerce, your jurisdiction being limited to fixing the rates for such passenger and freight traffic as is conducted between different points within the boundaries of this State.

Respectfully,

W. F. FITZGERALD,  
Attorney-General.

This opinion has been accepted by us as correctly stating the law in the premises, and it is the intention of the Commission to take the necessary steps to enforce compliance with our orders. Immediate action would have been taken had it not been that the attention of the Board has been occupied with matters of much greater moment.

## STREET AND ELECTRIC RAILWAYS.

Another controversy of a similar nature has taken place between this Commission and various motor and electric railways engaged in the transportation of freight and passengers. While the number of these roads is at present small, still the wonderful progress of electricity as a motive power will, in a short time, we believe, cause the construction of numerous electric roads for the purpose of engaging in local freight and passenger carriage. It is important to have the question of the jurisdiction of this Board ascertained, and in the proceedings contemplated by us we believe an authoritative decision can be secured which will finally determine the powers of this Commission over all transportation companies. On this subject we are advised by the Attorney-General, as follows:

## OPINION OF ATTORNEY-GENERAL.

"I am of the opinion that 'street railroads,' within the meaning and intendment of the exception to the definition of 'transportation companies' found in Section 14 (sub-division 1) of the Act to organize and define the powers of the Board of Railroad Commissioners (Statutes of 1880, p. 48), are such roads only as are used exclusively for the transportation of passengers.

"Booth, in his work on Street Railway Law, Section 1, says:

"A distinctive and essential feature of a street railway, in relation to other railroads, is that it is *exclusively* for the transportation of *passengers and not of goods.*"

"And in a leading case (*Williams vs. Electric R. R. Co.*, 41 Fed. Rep. 556; 43 Am. and Eng. R. cases, 215), the United States Circuit Court held that 'the difference between street railways and railroads for general traffic consists in their use, and not in their motive power; that a railroad which runs at a moderate rate of speed, *which carries no freight, but only passengers* from one part of a thickly populated district to another in a town and a city and its suburbs is a *street railway*, no matter whether the cars are propelled by animal or mechanical power.' Our Civil Code also, in the title devoted to 'Street Railroad Corporations' (Division 1, Part IV, Title IV), treats of them throughout with relation to passenger traffic only.

"These authorities fully sustain my conclusion.

"If the franchises of the 'electric and motor railroads' in question merely authorize them to operate as 'street railroads,' then, in assuming to act as 'transportation companies' in the carrying of passengers and freight, or freight only, they are unlawfully exercising their franchises (Code of Civil Procedure, Section 803); and if your Board will furnish me with evidence of that fact I will at once institute proceedings against them to forfeit their franchises, and at the same time to enjoin them from further operating their roads as carriers of freight. If, however, they are authorized by their charters to carry both passengers and freight, or freight alone, then they are 'transportation companies,' as defined by the Act of 1880, and within the meaning of Section 22, Article XII, of the Constitution; and are subject to the jurisdiction of the Board of Railroad Commissioners.

"W. F. FITZGERALD,  
"Attorney-General."

## ATLANTIC &amp; PACIFIC RAILROAD.

The Atlantic & Pacific Railroad Company (a corporation organized under an Act of Congress of the United States, approved July 2, 1886) is engaged in the transportation of freight and passengers within this State. We find this company has repeatedly denied the jurisdiction of this Board over its affairs, and its views of the matter are expressed by the following letter, now part of the records of this Commission:

ALBUQUERQUE, N. M., April 23, 1892.

To the Honorable Board of Railroad Commissioners of the State of California:

GENTLEMEN: Pursuant to the understanding reached at a conference had between the honorable Board and William C. Hazeltine, the then solicitor of this company, on the tenth day of February, 1887, I have the honor to submit, attached hereto, a report of the Atlantic & Pacific Railroad Company for the year ending December 31, 1891, which I have had compiled, as nearly as possible in the form prescribed by your Board, from the report made by our company to the Secretary of the Interior of the United States, as provided for in the Act incorporating this company. In submitting this report I desire to call your attention to the position assumed by this company, which is, that being a Federal corporation, created by the supreme legislative authority of the nation, and being by that Act constituted a Federal agency, fully empowered to fix and determine our own rates of fares and freights, and being required to make an annual report to the Secretary of the Interior, according to a form prescribed by his department, we do not believe that we could be lawfully required or legally compelled to make any report to your honorable Board; but, being willing and anxious to aid you, so far as may be, in the performance of your duties, we take pleasure in handing you as full a report as can conveniently be compiled from the one furnished by the Secretary of the Interior, as aforesaid, hoping and believing it will give you generally such information as you may require, at the same time protesting that, in making this report, we do not do so under compulsion, but voluntarily, not intending thereby to waive any rights the Atlantic & hereby expressly reserving to it every right and immunity from State control, or other-Pacific Railroad Company has or may have by its Federal charter, or otherwise, but wise, it may have as a national corporation, Federal agency, and interstate railroad.

Respectfully submitted.

C. N. STERRY,  
General Attorney.

While our predecessors in office may have accepted this condition, we desire to announce that we do not in any manner agree to the same. Complaints have been made to us against this company concerning its local traffic, and are under investigation. Our determination is to fully inquire into the local affairs and charges of this corporation, and deal with them the same as with the affairs of the other railroad corporations of the State. This we understand we are fully justified in doing, under settled law.

#### UNIFORM SYSTEM OF ACCOUNTS.

Another important provision of the State Constitution is that which provides: "Said Commission shall prescribe a uniform system of accounts to be kept by all such corporations and transportation companies." No Commission, to our knowledge, has ever attempted the enforcement of this provision. It is most important, and the adoption of such a system would do much to simplify railroad affairs, and enable this Commission to obtain information absolutely essential for the transaction of its business. This subject has been considered by us for some time, and we expect to be enabled to perfect and put in force such a system as is contemplated by the Constitution.

#### RAILROAD COMMISSIONS.

We have entered into communications with the various Railroad Commissions throughout the United States, and have, by a mutual interchange of ideas and data, succeeded in securing much valuable information which will be of great service. On file in our office we have the reports of most of these Railroad Commissions.

#### GRAIN SCHEDULE.

By far the most important matter that has engaged the attention of the Commission has been the adoption of a schedule of rates for the transportation of grain over the leased lines of the Southern Pacific Company within this State. Almost the entire traffic of the State is carried by this corporation, and from our inception into office its affairs have received the most careful attention and consideration. Complaints of its charges for freight and passengers transported have been made, and action has been taken reducing charges and formulating a new schedule of rates, particularly on grain shipments. The proceedings incident to this subject we deem proper to state with some particularity.

#### RESOLUTION OF H. M. LA RUE.

On the 14th day of August, 1895, Commissioner La Rue introduced the following resolution:

WHEREAS, The Southern Pacific Company did, during the year 1894, assure the people that material reductions in rates for the transportation of grain would be made over their Pacific System in California; and

WHEREAS, In accordance therewith it did, on the 29th day of December, 1894, adopt, publish, and put into effect a schedule of rates on grain, known and designated as Grain Tariff No. 2, wherein many reductions were made between the various stations within the grain-producing sections and points of delivery, said reduced rates not being general, but applying to certain sections of the State only; the reductions so made varying from four (4) per cent to twenty (20) per cent, or thereabouts, while in many localities no

reduction whatever was made, and in other sections, where no grain is produced for shipment and but little transported by the railroads, the rates were very materially reduced, varying from thirty (30) cents to three (3) dollars per ton; and

WHEREAS, The reductions noted are inadequate and do not afford the relief required and necessary to enable the producer to put his grain in the market at a reasonable rate, as the rates now charged are exorbitant, excessive, and greater than the producer can afford to pay, the cost of transportation being greater than the traffic will bear; and

WHEREAS, Owing to the general depression in all kinds of business and to the very unremunerative prices received by the producer for all kinds of cereal products, the rates for transporting to market or shipping points should be reduced to the very lowest possible figure that will afford the carrier a reasonable and just compensation for such service; now, therefore, be it

*Resolved*, That Grain Tariff No. 2, adopted, published, and put into effect on December 29, 1894, by the Southern Pacific Company, with all subsequent amendments thereto, applying on straight or mixed carloads of grain, bran, shorts, middlings, feed, ground, cracked, or rolled barley, and cracked corn in sacks, between San Francisco, Oakland Wharf, Port Costa, Nevada Dock, Benicia, South Vallejo, Stockton, Sacramento, Marysville, Los Angeles, Port Los Angeles, and San Pedro, and stations on the Southern Pacific Company's Pacific System named therein, and being in the State of California, *be and the same is hereby amended, as follows:*

"A general reduction from present rates of fifteen (15) per cent of each and every rate charged between any and all points or stations named in said tariff or schedule is hereby made, except that between the following-named stations and all points named in said tariff or schedule, the rate shall be reduced twenty (20) per cent from present rates, to wit: Lincoln, Ewing, Sheridan, Wheatland, Reeds, Rupert, Marysville, Raminez, Coombs, Honcut, Palermo, Vancluse, Cox Lane, Villa, Verona, Oroville, Marrita, Mullen, Woodland, Curtis, Knights, Chandler, Marcuse, Tudor, Oswald, Bogue's Spur, Yuba City, Vacaville, Violet, Hartleys, Allendale, Wolfskill, Winters, Elys, Cutrona, Madison, Esparto, Capay, Cadanessa, Tancred, Surry, Amaranth, Guinda, Sauterne, Cashmere, Rumsey, Homestead, New Ramona, Perkins, Manlove, Mayhew, Routiers, Mills, Soudan, Salisbury, Natoma, Alder Creek, Orchard, Folsom, White Rock, Cothrins, Latrobe, Flonellis, Bryant, Brandon, Dugan, Bennett, Shingle Springs, Cummins, El Dorado, Diamond Springs, and Placerville; and said rates so amended, established, and adopted shall be the maximum rates allowed to be charged on said Southern Pacific Company's Pacific System in California."

Now, THEREFORE, In pursuance of an Act to organize and define the powers of the Board of Railroad Commissioners (Sec. 11, Chapter 59, Statutes of 1880) and the rules of this Commission, it is accordingly

*Ordered*, That a certified copy of the resolution and order adopting the amended schedule be served by the Secretary of this Commission upon the Southern Pacific Company; and in case said company shall prefer for its own convenience, and to simplify the duties of all concerned, to make its own copies of such amended schedule, and shall consent to put the same in operation within twenty (20) days from and after the service of said order, and in accordance therewith, it may do so, without further preliminary process or proceeding to enforce the same; provided, said company or its general manager shall, within three (3) days from and after the service of said order, acknowledge the service of said amended schedule by printed copy, expressly waiving all other service or notice thereof in writing, addressed to said Commission and to be filed and remain of record in the office of said Commission. And it is

*Further ordered*, That if such acknowledgment, and waiver as aforesaid, shall not be filed in said Commissioners' office within three (3) days from and after the service of such order, as aforesaid, then and in that event said Secretary shall immediately proceed to print such schedule and order, and to serve printed copies on the said Southern Pacific Company, and shall keep a record of his action in the minutes of said Commission.

J. C. Martin, Esq., attorney for the Southern Pacific Company, appeared before the Board and requested that said company be furnished with a copy of the resolution, and that action thereon be deferred to enable him to present testimony and data in opposition to any reduction in rates, and in compliance with the request the consideration of the question was continued until August 28, 1895.

#### STATEMENT OF COMMISSIONER STANTON IN REFERENCE TO GRAIN RATES.

On said day the Board met, and prior to the hearing of any testimony or commencement of the investigation, Commissioner Stanton submitted the following statement in reference to grain rates:

SAN FRANCISCO, August 28, 1895.

As Commissioner from the Second District, I submit the following facts for the consideration of this Commission:

At the session held August 14, 1895, the Commissioner from the First District presented

a resolution having for its object a reduction of rates upon grain from all points in California on the Southern Pacific Company's Pacific System. The proposed reduction would be a general cut of 15% on the rates published in Grain Tariff No. 2 and subsequent amendments, and a reduction of 20% on rates charged by this company from seventy-one stations north of Port Costa and Sacramento. I was not accorded the privilege of examining this resolution prior to the meeting, and consequently could not vote for its adoption. Copies of this resolution and the proceedings held upon that day have been served upon the company named in the resolution, and this company asked for time in which to prepare data showing that this order should not be enforced. As a Commissioner, and basing my conclusions upon a thorough investigation of the subject, I believe that there are many reasons to urge against the adoption of this measure. The preamble to this order contains many statements which are not borne out by the facts of the case; and the order, if adopted and enforced, would certainly fail to accomplish the results which have been so earnestly desired by all who are directly interested in the question of transportation in this State. I speak of the discrimination which exists on the Pacific System of the Southern Pacific Company. If the gentleman who presented this resolution had arranged a schedule as required by the law which governs our actions, these discriminations would have been at once apparent, and it would not have required much calculation to show that the charges in different localities range from .017 to a rate exceeding 10 cents per mile. There may be reasons advanced for these discriminative charges which, from our worthy Commissioner's experience as a shipper, are entitled to due respect and consideration; but, if reasons are not forthcoming, and it is admitted that these discriminations exist, then I ask how it is possible to regulate this condition by adopting such an order as the gentleman proposes? Would not a schedule based upon a general reduction of 15%, and excepting only the seventy-one stations which are affected by the proposed 20% reduction, still maintain these irregularities? If the Commissioner is correct, the reductions made have not been general, and, consequently, should this order be enforced, you would find the wheat-shipper in one section of the country receiving a reduction of 15% on the rates of Grain Tariff No. 1, when another shipper has derived a benefit of about 32% on the rates of the same tariff. A comparison of the rates from Dinuba to Port Costa and Salida to Stockton may serve as an illustration of this fact. Many of the stations named in the resolution, as affected by the 20% reduction, show no grain shipments either in 1893 or 1894, notably on the Sacramento and Placerville branch. The same irregularities exist as to the rates, and, in some instances, 11 cents per ton per mile is charged for transportation of grain.

The horizontal reduction of 20% would not place these stations on an equal footing.

For these reasons, I am opposed to the adoption of this order, and I am certain that if the Commissioner will go into the detail of a schedule based on his order, he will agree that the facts are as I have presented them before this Commission. I am in favor of reduction of the freight rates on all commodities where the rates are unjust and unreasonable, but as it is claimed that rates have been established on a commercial basis, and the reductions of rates upon one commodity would seriously affect the rates governing the movement of another, to be consistent this Commission should give an impartial hearing to all parties concerned, and, when a reduction is determined upon, give the shipper of all commodities affected by unjust rates the proper percentage of said reductions; to determine this fact, I am in favor of changing the order of these proceedings and offer a resolution to that effect.

The order of Commissioner La Rue, if adopted by this Commission, could not possibly affect the movement of the grain crop this season.

Now, a word as to newspaper criticisms: I have been censured by a certain newspaper of this city for the reason that I would not commit myself to Commissioner La Rue's resolution. The public has been informed that my vote upon the question will be the test of the honesty of my future action in the Commission. I shall perform my official duties regardless of criticism, and the annual report of this Commission for 1895 will furnish all the necessary information to our proceedings during the past year.

#### INVESTIGATION.

After some discussion by the respective members of the Commission, it was then stated by the representatives of the Southern Pacific Company that the subject of grain rates was so interwoven with the general freight rates of the company that the showing to be made by them would be of a general nature, and would be in opposition to any reduction of their rates, whether upon the grain or any other tariff then existing, and that the testimony to be offered would be as to the general fairness and correctness of their rates of charges. Upon this understanding the hearing and investigation proceeded, and was continued from day to day until September 7, 1895. A full opportunity had been

given for the presentation of evidence, and the following witnesses: C. F. Smurr, General Freight Agent; W. G. Curtis, Assistant to the General Manager; Gerrit L. Lansing, Secretary and Controller, and W. B. Curtis, of said company, were sworn and examined by their attorney and members of the Commission. The attorney at this time announced that he had no further testimony to offer, and addressed the Board at length on the merits of the case. The testimony taken on this hearing is voluminous, aggregating 2,128 folios, now on file in this office, and on account of its great length we do not deem it necessary to submit the whole of said proceedings, but take from the same, extracts of September 7th, 12th, and 13th, as follows:

"SEPTEMBER 7, 1895.

"COM'R STANTON. Are we ready to go on now with the discussion of this resolution?

"THE CHAIRMAN. I think so. The question before the Commission is the resolution introduced by myself.

"COM'R STANTON. I have a communication here which I would like to have read.

"(The Secretary then read Commissioner Stanton's communication, as follows:)

COMMUNICATION OF COMMISSIONER STANTON.

"The question for decision to which I shall direct my attention is, are the rates charged by the Southern Pacific Company and its leased lines for the transportation of freight within the State of California such as are just and fair between the carrier and the people of the State?

"The investigation held by this body has not been confined to the consideration of the resolution presented by the Chairman of the Board, but the scope of inquiry was broadened to such an extent that, in my opinion, we are now enabled to pass upon the reasonableness of freight charges of the Southern Pacific Company in California.

"On the part of the company the claim is made that the present rates are as low as can be charged in order to enable the company to pay its operating expenses, taxes, and interest.

"As a member of this Commission, since my induction into office, I have endeavored to obtain from all sources all information which would enable me to act intelligently and conscientiously upon the questions arising before this body. And for such purpose, as well as to enable a full showing to be made, I have favored, since the inception of the proposition to reduce the charges of the Southern Pacific Company, the granting of its request for a full hearing as to its condition and affairs.

"This hearing was not granted as a matter of right, for, according to law, as I am advised, this Commission is under no legal obligation to give notice or a hearing to any corporation or person whose rates are affected by its orders.

"In the case of the *Spring Valley Water Company vs. San Francisco*, 82 Cal. 286, the company sought to annul an order of the Board of Supervisors fixing their rates of charges for water made without notice to them, and without any opportunity afforded them of being heard concerning the same.

"The authority of the Board was derived from a provision of the State Constitution similar to the one under which this Board is now acting, and one of the points made by counsel for the company was:

"The fixing of rates without notice and a hearing is opposed to the first principle of law and justice. Notice and opportunity to be heard are essential elements of due process of law, whatever the nature of the power exercised."

"Deciding this point, the Court makes use of the following language:

"On the part of the respondent, it is contended in support of the decision of the Court below that notice to the plaintiff of an intention to fix the rates was necessary, and that without such notice being given the action of the Board was a taking of its property without due process of law. But the Constitution is self-executing, and as it does not require notice we think no notice was necessary."

"Justice Miller, of the Supreme Court of the United States, in the case of the *Chicago, M. & St. P. Ry. Co. vs. State of Minnesota*, 10 Sup. Ct. Rep., p. 702, passing upon the powers of Railroad Commissioners to fix rates, uses this language:

"I do not agree that it was necessary to the validity of the action of the Commission that previous notice should have been given to all common carriers interested in the

rates to be established, nor to any particular one of them, any more than it would have been necessary—which I think it is not—for the Legislature to have given such notice if it had established such rates by legislative enactment.

"The affairs of the Southern Pacific Company are of a most complicated and anomalous nature—a foreign corporation, for some ulterior purpose unknown to this Commission, organized and existing under the laws of the State of Kentucky, entirely without the ownership of a mile of road, engaged in both local and transcontinental traffic.

"Operating under its management a large number of leased lines, in many of which the principal stockholders of the Southern Pacific Company own the controlling interest, it is enabled by its system of keeping accounts to so complicate matters as to render it most difficult to arrive at a correct conclusion as to its exact condition with regard to its local traffic.

"This company has expended large amounts of money in the acquisition and maintenance of miles of railroad in and through mountainous country having but little connection with and being of slight practical benefit to the local traffic of California, and used by it almost solely in connection with its transcontinental business.

"The pretended original cost of this road, the cost of maintenance, and the interest upon the said original cost, they seek to charge against the local traffic of California. To my mind this is improper and should not be allowed.

"I am satisfied that the value of the properties operated by this company, as represented in connection with their bonded indebtedness, is excessive and out of all proportion to their real or market value. In this connection it is important to note the testimony of Mr. Lansing, who states that the assessed value of the road is much less than its real or market value. A comparison of the value of these properties as fixed by the State Board of Equalization (and shown by its records) for the purposes of assessment, with the value of the same as shown by the reports of the different companies for the purposes of a foundation for the issuance of bonds, would astound any person not familiar with the financial systems of these companies.

"The law of the State requires all property to be assessed at its actual value. Surely if the assessed value is good enough for the railroads to pay their taxes upon, the same ought to be of some considerable assistance in determining the value of the properties and of the amount for which bonds should be issued.

"My investigation has forced me to the conclusion that the bonded indebtedness of the company is grossly excessive and represents a fraudulent issue; that the bonds to a great extent are owned by the stockholders of the roads; that the fixed charges and operating expenses of the roads have been greatly inflated, and as represented do not constitute a correct and proper basis for the adjustment of rates—to be paid by shippers—for services rendered by the carrier.

"Necessarily, the greater issue of bonds requires higher freight and passenger rates to meet the excessive interest, but, while the statement is true that the interest on legitimate and honest debts of the companies must be paid, the laws of the country will not permit or tolerate fraud, and will not compel shippers to bear the burden of fictitious debts represented by bonds—wrongfully and fraudulently issued by these companies; nor will they tax the shipper unnecessarily to pay exorbitant salaries to officers. In this connection the language of the Supreme Court of the United States in the case of *Regan vs. Farmers' Loan and Trust Company*, 14th Sup. Ct. Rep., p. 1047, is quite applicable, and is as follows:

"It is unnecessary to decide, and we do not wish to be understood as laying down as an absolute rule, that in every case failure to produce some profit to those who have invested their money in the building of a road is conclusive that the tariff is unjust and unreasonable. And yet justice demands that every one should receive some compensation for the use of his money or property, if it be possible without prejudice to the rights of others. There may be circumstances which would justify such a tariff. There may have been extravagance and a needless expenditure of money. There may be waste in the management of the road, enormous salaries, unjust discrimination as between individual shippers, resulting in general loss. The construction may have been at a time when material and labor were at the highest price, so that the actual cost far exceeds the present value. The road may have been unwisely built, in localities where there is not sufficient business to sustain a road. Doubtless, too, there are many other matters affecting the rights of the community in which the road is built as well as the rights of those who have built the road."

"The evidence clearly shows that the owners of the stock of the main company and many of its leased branches are the same, and that by means of leases, contracts, and other arrangements, they are enabled to deal with themselves and divert the traffic and revenue of the road as they may desire.

"One of the main instruments by which this has been accomplished is the Pacific Improvement Company, a corporation, most of whose stock is owned by the individuals who own the stock of the Southern Pacific Company.

"This corporation is engaged in the business of contracting, and does a great percentage of the work of the Southern Pacific Company, and receives in payment therefor the bonds of the companies benefited. How are their bonds accepted? Honesty would suggest at their par value. Is this the case? No. The testimony of Mr. Lansing shows that they are given in payment at far less than par, the exact amount not appearing before the Commission.

"The result is that these bonds so issued constitute part of the bonded debt of these

companies, which in this manner has been increased many millions of dollars. It is claimed that we must so establish rates as to enable the interest on this debt to be paid from the company's earnings.

"For us to adopt any such standard would be robbery and theft of the money of the people of California.

"A review at this time of the evidence and figures offered before the Board would serve no useful purpose. I shall therefore state my conclusions.

"From a careful and thorough investigation and examination made by me since the commencement of my term of office into the affairs of the Southern Pacific Company and its leased lines, and after considering the evidence offered by said company at this investigation, I am of the opinion that the present rates of charges for the transportation of freights in California by the Southern Pacific Company and its leased lines, are unjust to the shippers of the State, and should be subjected to such an average reduction as, including all reductions therein made since December 1, 1894, shall equal an average reduction of 25% on said rates as in existence on said December 1, 1894.

"Such being my conclusion, it necessarily follows that I should propose and favor a reduction of rates accordingly. The distribution of this reduction over the different commodities of freight requires the exercise of a careful discretion and judgment.

"The resolution introduced by the President of the Board contemplates relief to the grain-farmers of the State alone, and immediate action is asked on their behalf on account of the financial distress prevalent. These appeals are strong, and without question should be granted in so far as consistent with the duty which the members of the Board owe to their other constituents.

"The question of freight charges is one that directly concerns the pecuniary interests of every resident of the State.

"Every necessity or commodity of life used by the artisan or laborer, the farmer or producer, manufacturer or merchant, at some time is required to pay the cost of transportation, and this in some shape must be added to its cost, and is eventually paid by the consumer.

"The merchants of San Francisco and of the interior of the State in their dealings with the Southern Pacific Company are required to pay out millions of dollars annually in freight charges. The cry of poverty and hard times urged on behalf of the grain-raiser applies equally to them. In their present depressed financial condition they require all the help that can be extended to them, and no reason can exist why they, in common with the farmer, should not be given their proportionate benefit of any reduction which can be reasonably made in freight rates. Again, the farmers of the State are not all grain-growers; the products of agriculture are diversified, and are all subject to freight charges—their hay, fruit, vegetables, live stock, poultry, wool, and other products must reach market; but no relief is afforded them by the resolution before the Board. All the farmers of the State are equally benefited by the reduction of freight charges on articles other than their products. Their agricultural implements, bagging, boxes, cooperage, fencing materials, and supplies, fertilizers, harness and saddlery, articles of iron and steel, machines and machinery, articles of hardware, all articles necessary for the conduct of their industries; boots, shoes, hats, clothing, dry goods, furniture, and innumerable other articles absolutely essential to the existence of themselves and families, at present bear excessive charges of freight. The relief afforded to the merchants by its reduction, all turn eventually to the consumers' benefit in a corresponding reduction in price of the commodity.

"Like considerations apply to every other consumer in the State. The equitable rule is to benefit each in his proper proportion.

"These are the considerations which have prompted me in the distribution of this reduction as hereinafter recommended.

"Since the first day of January, 1894, the freight of the State has been handled by the carriers under the system known as the Western Classification. This system is that now used by every railroad of any importance west of Chicago and St. Louis. It divides the freight traffic of the country into ten classes—Classes 1, 2, 3, 4 are principally for less than carload quantities of freight; Classes 5, A, B, C, D, E are for carloads only. It undertakes to specify and provide an appropriate class rating for each article that is generally known in the various lines of production, manufacture, and trade. In addition to this classification in this State, many principal articles of shipment, such as grain, flour, lumber, coal, etc., are arranged under what are called special commodity tariff. For each class of the Western Classification and for each special commodity a rate is now established.

"During this investigation I endeavored to ascertain the amount of revenue received from each of these classes and special commodities in the State of California by the Railroad Company, but for some reason was unable to secure the desired information. In order to properly adjust the reduction I propose making, this information is of great importance. Having ascertained the amount of revenue derived from each of these classes and commodities, and the total revenue for 1894, it will be a comparatively easy task to distribute the reduction among them.

"It must be realized by all that the work of preparing such a revised tariff, so as to put the same in operation, is a task of considerable magnitude, and my belief is, that in order to have the same in operation by January 1, 1896, it will require almost daily sessions of this Board until then.

"In fixing of rates on the Southern Pacific Company's lines, no system dependent upon any fixed plan seems to have been followed. As a necessary result of this, innu-



merable discriminations exist in rates between different points in the State for the transportation of freight equal distances. As I stated at the commencement of and during this investigation, I believe the reformation of this to be the first essential point to be remedied toward a reduction in freight rates, and my desire is to have this Commission proceed to the immediate consideration of this subject and correct these abuses at once. This can be done in connection with our work on the general schedule, and the corrected rate in these instances can take effect immediately.

"I am aware that in freight traffic there are certain products and commodities which, from their nature, require to be moved at certain seasons of the year, and that such time of movement will be between now and the first day of January, 1896. If satisfactory to the other members of this Commission, I am prepared to make exceptions in favor of such commodities, and proceed as soon as necessary to give them a reduction in a sum approximating that to which they will be finally entitled by revision of the freight rates as herein explained.

"The adoption of a distance tariff would greatly simplify the adjustment of rates and do away with many irregularities attendant upon the present system.

"During our investigation some objection was urged against any reduction of the rates of this company, on the ground that if a reduction was made, wages of the employes would be proportionately affected. As a member of the Commission I desire to record my protest against the company making any reduction of the wages of the employes by reason of any acts of this Board in attempting to adjust rates. In making the reduction proposed by me, I have allowed to the company sufficient margin to pay labor its fair market price, which to-day is as high, if not higher, than that now paid by the company. This reduction is not to come from the labor fund, but from the source which has enabled the payment of interest on fictitious debts of the roads.

"I have further determined at this time to waive my objections to a horizontal cut in the amended grain tariff rates, prior to the adjustment of discriminations therein; and am now willing to give to that tariff such reduction as I believe, taken in connection with the reductions already made in it, which went into force January 1, 1895, and the reduction in its rates necessarily attendant upon the adjustment of the discriminations therein contained, to be hereafter made, will give to this tariff the proportion of reduction to which it is reasonably entitled, upon the basis of 25% average reduction of all freight rates, in favor of which I have declared myself. After a careful consideration of all matters in connection with the subject, I have concluded that reduction of 8% on all grain rates of said tariff would be fair. If in the adjustment of the general average reduction of 25% I shall find that the grain tariff is proportionally entitled to a further reduction, I shall vote for the same in connection with the adoption of such general revised tariff.

"For the purpose of effecting the results herein set forth, I have prepared a substitute for the resolution introduced by the President of the Board, which I now offer.

"(Signed:) JAS. I. STANTON,  
"Commissioner.

#### SUBSTITUTE TO RESOLUTION.

"COM'R STANTON. I will now ask the Secretary to read my substitute.

"(The Secretary then read Commissioner Stanton's proposed substitute for Commissioner La Rue's resolution, as follows:)

"*Resolved*, That the present rates of charges for the transportation of freights in California by the Southern Pacific Company and its leased lines, are unjust to the shippers of the State; therefore, be it

"*Resolved*, That the present rate of charges for the transportation of freights in California by the Southern Pacific Company and its leased lines be subjected to such an average reduction as, including all reductions made therein since December 1, 1894, shall equal an average reduction of 25% upon said rates as in existence on said December 1, 1894.

"That the manner of apportionment and of effecting said reduction shall be as follows:

"First—All discriminations in freight charges shall be so adjusted as to make rates uniform between different points of shipment similarly situated, in so far as circumstances will permit. Any reduction in rate made for this purpose shall be charged against the class to which the article or commodity belongs.

"Second—Each class of freight specified by the Western Classification, or for which a commodity tariff exists, shall be entitled to and receive its pro rata of said average 25% reduction, determined on the basis that the amount of revenue paid by it to the total amount of said reduction. Provided that the rate of freight in each class shall be first regulated so as to prevent discriminations in rates on classes or commodities, said pro rata shall be fixed by this Board.

"*Resolved*, That the Grain Tariff having been, since the first day of December, 1894, subjected to a reduction which, inclusive of the amount to be charged against it for discriminations and the percentage hereinafter allowed, will nearly or fully equal the proportion of such average reduction; therefore, be it

"*Resolved*, That the rates at present existing for the transportation of grain in California, by the Southern Pacific Company and its leased lines, as established by Grain

Tariff No. 2, and all subsequent amendments thereto, be and the same are hereby reduced 8%, and the Secretary of this Board is hereby directed forthwith to prepare for publication by this Board a schedule of rates in accordance herewith, and when so prepared the same shall be published at once and take effect as soon thereafter as allowed by law, and that on the adoption of the revised general freight tariff of said company herein provided for, any further per cent reduction due said Grain Tariff, as provided herein, shall be given;

"*Resolved*, That this Board proceed at once to adopt a revised schedule of rates in accordance herewith, in order that the same may be in force on or before January 1, 1896; and be it further

"*Resolved*, That if the necessities of the case so require, this Board will at once proceed to the ascertainment of the proportion of reduction due any commodity which, by reason of its nature, requires to be moved between now and the time herein fixed for the taking effect of said general reduction.

"COM'R STANTON. I move the adoption of that substitute.

"THE CHAIRMAN. You have heard the substitute offered by Commissioner Stanton.

"COM'R CLARK. I would like to state, Mr. Chairman, that the opinion I am filing here is simply on the adoption of the resolution before the Board. I have not gone outside of the resolution.

"THE CHAIRMAN. The original question before the Board is the resolution offered by myself. Dr. Stanton now moves as a substitute for the original resolution the paper just read.

"COM'R CLARK. I was going to say I confined my remarks simply to the resolution that was under investigation by this Court, and I have not gone outside of that. I have written up my opinion according to the evidence adduced, and I do not think that it is right or proper to put a substitute in for that resolution. I think that should be taken up and voted upon, and then, if that is voted down, all well and good; there can be another resolution brought in of any sort that either Commissioner may propose.

"THE CHAIRMAN. The resolution is at present before the Board, as well as the substitute; so any remarks you have to make pertinent to the resolution are in order.

"COM'R CLARK. I wish to have my opinion read.

#### COMMUNICATION OF COMMISSIONER CLARK.

"(The Secretary reads the opinion of Commissioner Clark, which is as follows:)

*"In the matter of the proposed reduction of grain rates, over the lines of the Southern Pacific Company in California, now at issue before this Board.*

"The resolution before this Board proposes a reduction in the grain rates of the Southern Pacific Company, a railroad corporation, doing business in this State, from 15% upon a portion of their road, designated in said resolution, and a further reduction of 20% upon other portions of their system in California, which is also specifically set forth in said resolution, and urges as a reason that the rates now charged on grain are exorbitant, excessive, and greater than the producer can afford to pay, and that the cost of transportation is greater than the traffic will bear.

"It will seem that an order so general, and at the same time so radical in the proposed reductions, requires careful consideration of the evidence, in order to arrive at an honest and equitable adjustment of the differences that may exist between the carrier and the shipper.

"In arriving at that conclusion all party platforms and pledges made by any member of this Commission should be cast aside, and whatever feeling there may be in this State against the Southern Pacific Company, justly or otherwise, cannot now be considered.

"The Constitution has conferred upon this Commission the power to fix the freight and passenger rates, and that when the rates are so adjusted, they shall be deemed to be *conclusively just and reasonable*.

"It follows that, in the making of a rate, great care should be exercised in arriving at a conclusion that would be deemed by the courts to be *just and reasonable*.

"The next question that presents itself is, What is a reasonable rate?

"Without attempting to lay down a rule for general guidance, I would say that it should be equitable, and the carrier allowed a fair remuneration for the services performed, and a reasonable margin for interest upon the principal, judiciously invested, and a reasonable sinking fund for emergencies that may arise in the economical operation of the road.

"To arrive, therefore, at a just conclusion as to what would be a just and equitable rate, it is necessary to examine into the actual condition of the company's affairs, as it now exists.

"I find from the testimony that the average bonded indebtedness of the lines operated by the Southern Pacific Company operated in California is about \$29,000 per mile of road. It would seem, when compared with other roads similarly situated throughout the United States, that the bonded indebtedness of the Southern Pacific Company compares favorably with those lines, and that the company is therefore warranted in taking into consideration the fixed charges upon the bonded indebtedness, such as interest, taxes, and providing for a sinking fund, as provided by law, for the purpose of adjusting a fair rate for services rendered.

"It is also shown from the uncontradicted testimony of Mr. Lansing, the Secretary and Comptroller of said company, and also by Mr. Curtis, the Assistant to the General Manager, that for a period of six months ending June 30, 1895, there was a deficit of over \$1,250,000 in the operation of the road, taking into consideration fixed charges, and when compared with the sworn statements of the earnings for the first six months for 1894 there is a marked falling off in the earnings of the road.

"This has been attributed to the depressed condition of the country financially, and in all probability likely to continue for some time to come.

"The passenger traffic has suffered also, and I find that for the first six months of this year the passenger revenue amounted to \$1,151,000, and for a like period last year to \$1,478,000, showing a decrease in through passenger earnings for the first six months of the present year of \$327,000, over the Pacific System.

"In the local earnings for the first six months of 1895, the passenger earnings amounted to \$3,317,000, and for the same period in 1894 the local passenger earnings were \$3,701,000, a decrease in the past six months of \$384,000.

"The total passenger earnings, through and local, for the first six months of 1895 amounted to \$4,468,000, and for 1894 to \$5,179,000 for a corresponding period, showing a decrease for the first six months of the present year of \$711,000 in passenger earnings, compared with 1894.

"In view of all the evidence, I am of opinion that the adoption of the proposed resolution, as a whole—a horizontal reduction, that would not adjudicate the discriminations that may now exist—would be a travesty upon justice, and unbecoming the act of a dignified and impartial judicial body sworn to do their honest duty; and I would never sanction an order that in my judgment the courts would not hold to be *conclusively just and reasonable*.

"In conclusion, while I am unable to support the resolution in its present form, I am in favor of making a reasonable reduction on the lines wherein inequalities and differences exist, and bring all the lines operated by the Southern Pacific Company, similarly situated, and for like distances, upon an equal basis.

"(Signed:) W. R. CLARK,  
"Commissioner Third District.

"THE CHAIRMAN. The question under consideration is the resolution introduced by myself, and the substitute offered by Commissioner Stanton. While I would be very much pleased to go to a vote direct upon the resolution, of course the substitute takes precedence, and, as there is much contained in that—while, I will state here, that in Commissioner Stanton's communication, or remarks we will term them, I generally agree with him, I think they are in the right line, but there is so much contained in his substitute that I am not prepared to vote upon that proposition at this time, and I should like to have a little time to consider it. As the Commissioner stated, when I introduced the resolution in the beginning it was a matter of importance, and he would like some time to consider it. It, of course, makes quite a change, and, with the important questions involved, I could not vote understandingly upon the resolution. I would like to look over it; I have not had the opportunity of seeing it before; it is all news to me, and I think I should be entitled to that consideration. While I am anxious to bring this question to a determination, and while the substitute does not offer as much as I would like, I am always willing if I cannot get a whole loaf to take

a half of one; but there are other considerations connected with it in reference to the reduction on other commodities, and I could not vote understandingly, and I do not want to put myself upon record without some preparation, and understanding myself as to how I vote; and I will ask as a matter of courtesy, if not of right, that I have that time to consider it.

"COM'R STANTON. I will say in reference to that, while the resolution contemplates nothing more or less than a 25% average reduction, it means that the company should get the credit of whatever reductions they have been making, whatever reductions have been made since we have come into office; but it means at the same time that all these discriminations which have existed should be regulated and adjusted, and the proper percentage of that reduction, or any certain sum, be allotted from their general revenue, which we might consider should be proportionate to that discrimination, and charged against that particular commodity. Of course, it has been urged that it will be necessary to take up the grain tariff immediately, and for that reason I am anxious to fix some change that I considered reasonable and fair, with the understanding that if during our investigations we should determine they were entitled to a greater amount, we should give them what they were entitled to. If it was found we had given them too much, we should regulate the rate so the commodity should have the benefit. That was my idea in presenting the resolution. Now, as to the time. Of course I am anxious, as well as yourself, to see the matter come to some conclusion. I am anxious to regulate these rates as soon as possible, and to determine just exactly what proportion of reduction we can give to the different classifications; so I think the sooner we take up the matter the better. You have heard all the testimony I have heard in this matter; you are as competent to vote upon it as I am at the present time.

"THE CHAIRMAN. I am ready to vote upon the general proposition, but, of course, in the amendment other things are contained, and I will say this, that so far as correcting the discriminations is concerned, I am ready to sit down and go through this generally, and where there are discriminations correct them, and if any resolution should be adopted, or any other assessment should be adopted, I am free to state here that if in our investigations we should find that rates have been fixed at too high a rate, I would be willing to reduce them, and vice versa. My object is to do what is right; but there is considerable contained in that resolution rather foreign to the resolution before the Board, and I only ask time that I may look into it, and familiarize myself with it—simply that I may act understandingly.

"COM'R CLARK. I would like to say in connection with the substitute: My idea was that your resolution was the only thing before the Board, and that was the only thing under investigation. Of course, while I am not objecting to it, as long as you have ruled on it, my idea was that Dr. Stanton's communication went outside of the investigation of the grain tariff, and that the only thing before the Board was your resolution.

"THE CHAIRMAN. I am inclined to think that the substitute is a proper one; but it contains so much that from the bare reading of it I would not want to make a positive ruling on it. I was of the opinion that it was pertinent to the question. But before I am called upon to

vote upon it I would like to have a better understanding of it. Of course, just from hearing it read here no man in the house can tell all that it contains, though he may have a general idea.

"COM'R CLARK. I feel the same way. I would favor some reductions, which I have stated, and I have placed myself on record to that effect. I also would like time to investigate it, and I do not think Commissioner Stanton will urge his substitute without giving us a few days' time to examine the matter.

"THE CHAIRMAN. I am willing to go through the whole schedule and correct any discriminations we may find, and to devote day after day to it, or such time as is necessary, until we accomplish something and arrive at some determination.

"COM'R STANTON. We have been for the past three weeks investigating this matter, and we have as much information on all the rates and upon the finances of the company as we will ever have, in all probability.

"THE CHAIRMAN. I do not want any more testimony, because I think we have covered the whole ground. That has been the intention of the company—to make a showing of the condition generally relative to the rates and fares.

"COM'R STANTON. Of course, there is only one proposition embraced in this resolution that I offer, and that is the average reduction of 25%, and on top of that you might say, or in connection with it, is the reduction which it was proposed to give immediately to grain. Now, I have substituted the amount of 8%, for the reason that I thought that was something we could say fairly could be applied as a horizontal reduction; and if there are places in the different valleys that need 10% or 12% or 15%, we can make that reduction; but, preserving that spirit of equality, we can charge that against the amount they are entitled to as a reduction. The figures exceed \$200,000, as Mr. Smurr gave them, and represent, I believe, 26% of a reduction. I think that is about the amount, the best I can remember at present. But the amount I propose is not equal to that, for the reason that grain has a certain percentage of reduction that it was properly entitled to on account of excess of rates, and there are a great many excessive rates that should be adjusted now, and rates which I consider unjust and unreasonable, so far as these discriminations are concerned, and that was my idea in presenting the horizontal reduction of 8% at present. It will not restore the equality of the situation, but it will give the temporary relief they have been asking for.

"THE CHAIRMAN. As I stated the other day, I offered my resolution as a basis to work upon. It might not be enough; it might be too much. I am not contending for any specified amount as contained in these resolutions. It is a matter that should be properly considered by the Board and acted upon with that degree of fairness the subject entitles it to; but your resolution is very broad, and I am not prepared to act upon it without further consideration. I want to read it. I want to digest it, and what I do I want to do conscientiously. I would not insist upon hurrying anybody to a vote upon a proposition until they were ready. I might, after looking into it, favor it, and might not; I cannot say.

"COM'R STANTON. Of course, I recognize the rights of the other members of the Commission, but I would prefer to have the matter settled to-day.

"THE CHAIRMAN. You are familiar with that substitute. You have drawn it and presented it—just as I thought I was familiar with the other proposition, but I was perfectly willing and anxious that the other members of the Commission should have ample time to consider it, when you asked for time—and whether you had asked or not, that would have been my proposition; and the gentlemen on the other side were anxious to be heard, and we granted them that time. Now a new proposition comes in as a substitute for the whole, and I should certainly ask and insist upon the necessary time to consider it.

"MR. MARTIN. Would it be in order for me to ask the Commission for a copy of that resolution?

"THE CHAIRMAN. There is nothing to prevent you asking it, that I know of.

"COM'R STANTON. I see no reason why Mr. Martin should not be granted a copy of the resolution.

"THE CHAIRMAN. The proceedings of the Board are public, and everything belongs to the public.

"MR. MARTIN. As stated by Commissioner Stanton, our investigation has been very broad, and we do not at the present time desire to make any further showing in the way of additional testimony; but if the resolution should be extended so as to consider other matters, I suppose you would have no objection to having the traffic men of the road consult with the Board.

"THE CHAIRMAN. There is no objection to that. This is a public Board. We desire to hear everybody and anybody; we are not afraid to consult with you.

"COM'R CLARK. Thursday will give me ample time.

"THE CHAIRMAN. That will do me. I will make it a point. I have not filed any argument or statement, I think I have occupied the attention of this Board a great deal of the time, and I imagine the gentlemen thoroughly understand my position; consequently I have no remarks to make upon the subject at present.

"COM'R STANTON. The proposition is simply to allot the proportion of reduction, if we are going to have any reduction upon the freight earnings of this company—a certain percentage of that proportion to the different classifications and the different special commodities, and arrange it so that each classification will have the percentage it is really entitled to. It does not seem to me a very difficult task to determine that, when we have once the figures upon the earnings of those different classifications. We cannot formulate a schedule at present upon anything we have, with the exception of the grain tariff. That resolution at the present time provides for an 8% reduction upon grain, and I shall insist upon a vote upon that resolution.

"THE CHAIRMAN. Do you propose in that resolution to make it 8% after correcting the discriminations?

"COM'R STANTON. We formulate the schedule and at the same time, where discriminations exist, we adjust them.

"THE CHAIRMAN. To compare with the others?

"COM'R STANTON. To compare with the others. My object in having that inserted into the resolution was that we could take immediate action upon the resolution and give the proper percentage of reduction right away, and pass upon it, and for that reason I will insist upon a vote.

"THE CHAIRMAN. There is so much included in the substitute that I would like time to vote upon it, and I shall ask that, and will make a motion——

"COM'R CLARK. I will make a motion that the substitute of Dr. Stanton be laid over until next Thursday.

"THE CHAIRMAN. That is, the whole subject-matter?

"COM'R CLARK. The whole subject-matter, until 1 o'clock p. m. of that day.

"(Motion carried and adjournment had to September 12, 1895, at 1 p. m.)

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"SAN FRANCISCO, September 12, 1895.

"PROCEEDINGS OF THE BOARD OF RAILROAD COMMISSIONERS OF THE  
STATE OF CALIFORNIA.

"The Board met pursuant to adjournment.

"Present: Commissioners La Rue, Stanton, and Clark.

"THE CHAIRMAN. The question for consideration is the resolution introduced by myself, and the amendment offered by Mr. Stanton. Are you ready for the question?

RESOLUTION OF COMMISSIONER CLARK.

"COM'R CLARK. Mr. Chairman, I have a resolution here that I offer as a substitute for all resolutions on the subject-matter of grain.

"(Resolution read, as follows:)

"*Resolved*, That the grain rates now existing over the Southern Pacific Company's lines in California, as established by Grain Tariff No. 2 and subsequent amendments thereto, be and the same are hereby reduced an average of 10%, and from Sacramento, San Joaquin, and Salinas valleys, and other points similarly situated, and for like distances, be made uniform to points of destination, and the Secretary of this Board is hereby directed to prepare a schedule of rates in accordance herewith, serve a copy of the same on the railroad company affected thereby, and to take effect as soon as required by law.

"W. R. CLARK,  
"Commissioner Third District.

"COM'R CLARK. I wish to state in regard to grain rates that I have given the subject-matter my careful attention. As well as my colleagues, I feel that we should give the farmers some relief, if possible. I have examined various points throughout the State, to try to prepare a tariff that would be equal and just, and that would do away with the various discriminations which I think exist. Of course, I have always been opposed to a horizontal reduction, on that ground. I think an average reduction of 10% will be a fair reduction, and give considerable relief to the farmers. In taking up the horizontal reduction we are doing something, Mr. Chairman, that the Constitution forbids us doing, something that conflicts with the opinion of our legal adviser, the Attorney-General. Take, for instance, the rate in the Salinas Valley to San Luis Obispo. If we make a horizontal reduction, it affects that low rate at San Luis Obispo, and therefore, if this Commission fixes that rate, we fix the discriminations ourselves. I think, that in fixing that rate that it will be one that will stand, if it should come before the courts. Therefore, I

favor a reduction of the Salinas rates, which, the way I figure them, are 15% or 20% higher than in the San Joaquin Valley. I cannot see any reason why they should be any more than they are in the San Joaquin Valley.

"THE CHAIRMAN. It seems that the resolution is very indefinite and not to the point, as a substitute. Of course, if it should be adopted, it is then open to amendment. Substitutes differ in that respect from an amendment—or it could be treated as an amendment to an amendment.

"COM'R CLARK. I have offered it, Mr. Chairman, as a substitute.

"THE CHAIRMAN. The question is upon the adoption of the substitution offered by Mr. Clark.

"COM'R STANTON. That means an average reduction of 10% upon existing rates. It means, of course, that we should take up, probably, the discriminations. That will necessitate a great deal of time and a great deal of calculation. The substitute which I had proposed was a horizontal reduction of 8%, and included also the discriminations which already existed. We allow grain a certain proportion of the reduction. I make a horizontal reduction of 8%, and in addition to that we also take up the subject of discriminations. But we make the immediate reduction of 8%, and then we give grain that which this Commission thinks it is entitled to, which may be 20%, and may eventually reach 25%, it being one of the chief articles transported. On account of its importance we will afterward determine positively what reduction we will give it. In addition to that we subsequently give to the grain-shipper the benefit of further reduction. As Mr. Clark said, there are places in the Salinas Valley which would be entitled to greater reduction. There are places now on the lines where a 20% reduction would be proper.

"THE CHAIRMAN. No question about that.

"COM'R STANTON. I don't agree with the Chairman at all on that subject. We submit them all to an 8% reduction at the present time, and afterward further reductions may be required to adjust the discriminations. I think that will accomplish everything that is expected of us.

"COM'R CLARK. Mr. Chairman, if we adopt the horizontal reduction, the way that I look at it, we immediately fix the rates on discriminations that exist to-day, and it is strictly in violation of the law, as the Attorney-General instructs us. He says the language is plain, and it positively prohibits all discrimination between places and persons.

"THE CHAIRMAN. We propose to correct those.

"COM'R CLARK. That is my idea in making the average rate. I think there would be great trouble to correct the discriminations.

"COM'R STANTON. In reference to that subject, I would say that as far as the discriminations at various points exist—and I have great respect for Attorney-General Fitzgerald—I consider his opinion applies to rates fixed from competitive points, and I may say, no matter what rate we establish, as long as it is a fair and reasonable rate and is published as the official rate adopted by this Commission, that we cannot prevent the railroad from lowering that rate. The rate we establish is the maximum rate. I think if the matter was laid before the Attorney-General in that light, probably he might consider it from that point of view; because, otherwise, we would be constantly adjusting and publishing new rates and new amendments as the railroad lowered the rates at any particular point. If we should establish a maximum charge at any



particular point, and what is reasonable, then, if the railroad company sees fit to conduct their business at a lower rate than what we established, who would receive the benefit of it? We take away all the natural advantages of that competitive point. The question of competition is recognized by all boards or commissions that have the power to regulate rates. In justice to the people living at these competitive points, if these rates are to be fixed permanently and the railroad company cannot lower those rates, then I think we would do away with a great deal of the natural advantages at those points.

"THE CHAIRMAN. The La Rue resolution fixes an average rate, as has been explained, and Mr. Stanton offers an amendment to that. While the substitute is in order, I am not in favor of it. When the resolution comes up for consideration, such amendments can be made so as to make the rates fair and just as to discriminations, etc. The question is, What disposition shall we make of the substitute as offered by Commissioner Clark?

"COM'R CLARK. Question.

"THE CHAIRMAN. Those in favor of the adoption of the substitute will say aye; those opposed, no.

"(The vote was put, Commissioner Clark answering aye, Commissioners Stanton and La Rue, no.)

"THE CHAIRMAN. The substitute is lost.

"COM'R STANTON. I will say in reference to the substitute I have offered, and which I believe is before the Board at the present time, that my idea is to give to each commodity the proportion of the reduction which I really think it is entitled to approximately. The average reduction means this: It means that some rates may be affected 20%, other rates may be affected only 10% or 12%. I am in favor of making the rate 8% at the present time, for the reason that we only know approximately what the earnings of the Railroad Company are on some of the commodities, and if we are to go on and take up from day to day the different commodities, numbering thousands, and making computations on each of these, a certain percentage of reduction, that could go on indefinitely and no issue be reached, and at the end of our term we would be in the same position that only a few commodities would be settled; so, for that reason, I have offered this substitute, making an average reduction and approximating what I consider to be a fair reduction, and I propose to make it 8%, and reserve whatever further reduction we may deem necessary for the purpose of adjusting discriminations. I think in that way we would not affect any rate which is reasonable and just. Take the rate from Brentwood to Port Costa. At the present time there is a rate of 35 cents for 31 miles. If we submit that to a reduction of 15% it might bring the rate below what is just and reasonable. I think that a reduction of 8% would not. I think it would be fair to the shipper and give considerable relief. We give that 8% reduction now and then, we give grain what it is really entitled to, and other classes of merchandise. Only a few weeks ago we heard about certain merchants in the town here asking relief from freight charges made on the peculiar commodities which they ship, and they are entitled to some consideration. If grain is entitled to a reduction of more than 8%, when the time comes I am willing to give it what it is entitled to. I am satisfied in my mind, without any doubt, that they are entitled to a reduction of 8% at

the present time, and to the benefit of an adjustment of these discriminations.

"THE CHAIRMAN. In reference to the question now before us, I was in hopes, after our adjournment, that my worthy colleague would consider the matter and withdraw his amendment, and we might act directly on the original resolution. As I have stated before, time and again, it is a question of great importance. After the hearing of all the testimony and getting what information we could upon the question, I am more firmly of the belief than I was at the beginning that the rates named in my resolution are correct. The prosperity of the State of California depends upon our agricultural productions, and unless the producers, unless those who cultivate the soil—I do not speak of grain-growers alone, because all are interested in the transportation question—receive some relief, the condition of the country will become very serious. I say all the producers of the State and of the country are dependent upon transportation, and as I have stated at other times, the condition of the country is frightful, especially among the grain-growers. Sixty days ago it looked as if we would have good crops; but things have changed, and we have only half a crop. Many of the farmers are penniless, and while they have some grain to ship, the little that we might save in reducing freight charges would be of great advantage to them. My colleague from the southern part of the State understands these matters. He comes from a district that comprises the largest number of grain-growers, and a part of the State where the largest number of acres are cultivated. In that location they have suffered for three years; two years ago the crop was not a heavy one; last year it was almost a failure, and this year it is less than one half a crop. They are looking to this Board for some help in the matter of reduction of rates. It also applies to all of us, and I feel just as much interested in the shippers of San Francisco as in the shippers of grain. I believe that this matter should engage our serious and earnest attention, and that as soon as we dispose of one commodity we should carefully scan the rates on other commodities, and do justice to all. We should also bear in mind that the railroad companies have their interests, which need to be looked after, and I believe that it is the intention of this Commission to deal fairly in all our work in this Commission. We are representatives of the people, and not of one class alone. I believe, as I said before, that the rates named in my resolution are fair and just and reasonable. When I take into consideration the freight carried in this State by the Southern Pacific system, that about one fourth is grain produced by the farmer, and that in all their earnings one sixth of the whole is received as freight from the shipping of grain, I consider that a reduction of rate on this one commodity is a question of great importance to the State, and also of importance to the railroad company, for unless the producers can get their produce to market they will cease to produce, and without something to haul the railroad will be of no use. Of course, this state of facts will not arise, for people must live, and the soil must be tilled. But the people should have a right to earn a reasonable compensation, just as much so as the transportation companies should. After listening to all the testimony and considering the case fairly, as I said before, I feel that the amounts named in my resolution are not unfair or unjust, and I was in hopes that my colleagues would see their way clear to sup-

port them. It seems that they think differently upon this proposition. They may be correct and I may be in fault, but the question is before the Board of the adoption of the amendment proposed by Commissioner Stanton. I would like to offer an amendment, and I move that we strike out the word 'eight' and insert the word 'fourteen.' I will offer that as an amendment to an amendment. Are you ready for the question?

"COM'R STANTON. I will say, in reference to the remarks of the Chairman, that I agree perfectly with him that the grain-growers are entitled to their percentage of reduction, and the others in other products also. But if we are going along in this line of rates, making a reduction of 14%, 20%, 25% upon different classes, we will reach a point where there will be no further reductions to be given to any of the other commodities. I claim that the proper way to do this is as I have set forth in my substitute. I agree that many of the stations you have named should be subjected to a 20% reduction, and I would have voted to reduce these rates that per cent, in some of the stations named around the Sacramento Valley. But by adopting a horizontal reduction of 8% we still have enough left for the purpose of allotting a reduction of rates on other classes. I am in favor of giving grain what it is entitled to. I am satisfied it is entitled to 8% at the present time, and that the schedule should be published at once. Then we can give whatever further reduction we think it is entitled to, as the matter is investigated by this Commission. But for immediate relief, I am in favor of publishing a schedule upon an 8% reduction.

"THE CHAIRMAN. The question is upon the adoption of the amendment to the amendment, striking out 'eight' and inserting 'fourteen.' Those in favor of the adoption of the amendment will answer aye, and those opposed, no.

"(The motion was put and lost.)

"THE CHAIRMAN. I will now move to strike out the word 'eight' and make it 'thirteen.' I hope the gentlemen will see their way clear to make it thirteen. I believe the article is entitled to it. If it is not, I am willing to take up any commodity that is and fix the rate as it should be, and then go through the general classification and try to arrange the whole matter satisfactorily. The question is upon the adoption of the amendment to the amendment.

"COM'R STANTON. I will state in reference to that also, it might be reduced to twelve, eleven, ten, nine, right along through the different amendments, taking up the time of the Commission. I want to give grain what it is entitled to, and if it is entitled to 25%, I am in favor of giving it. At the present time I see my way clear, with the reductions which have already been made upon it, amounting to 10% or 11%, to give an additional 8%, making it 19%, and reserving 5% or 6% for the purpose of adjusting those discriminations to which our attention has been directed.

"THE CHAIRMAN. The resolution, as I understand, provides for an average reduction of 25% upon the most important factor to be considered. If your resolution is adopted, with the reduction already made, it amounts to about 19%. What is the per cent, Mr. Smurr?

"MR. SMURR. The figures are before you.

"THE CHAIRMAN. About 11%, I think, making 19%. As I said before, I would like to offer this resolution. Probably Mr. Clark and the Doctor may consider that they could stand a little more than 8%.

"COM'R STANTON. I believe it was the testimony of the experts of the Railroad Company that your resolution amounted to 26.1%.

"THE CHAIRMAN. Taking into consideration the reductions made in Grain Tariff No. 2, it would make about 26%.

"COM'R STANTON. It would represent about \$144,000. That is the present reduction which I am willing to give, granting in addition an adjustment of these discriminations on a basis of what is fair and reasonable and right, and placing all on an equal footing. I think you will find that the additional 6% or 7%, which would be included in the resolution which I have myself amended to 14%—you will find that by adding that 6%, which we can use in adjusting discriminations, it would be just the same thing. It will be a better way of accomplishing it, to my mind.

"THE CHAIRMAN. I do not wish to be considered captious, or anything of that sort, but I am acting conscientiously in this matter, as I will concede the other members of the Commission are, and when I offered the resolution it was in good faith, and I am as anxious to get as near to that as I can; if I can't get 14% now, I would like to get 13%. The question is upon the adoption of the amendment, striking out the word 'eight' and inserting the word 'thirteen.' Those in favor of the amendment will say aye, those opposed, no.

"(The motion was put and lost.)

"(Successive motions that the per cent be 12, 11, 10, and 9, were put and lost, the vote being the same to each.)

"THE CHAIRMAN. The question now is upon the adoption of Dr. Stanton's amendment to the resolution.

"COM'R CLARK. As I have stated, I have been opposed to that amount of reduction. I have stated that I could not vote for your 15% reduction, because I thought it was too much. The way we figured the matter, and we went over everything carefully, I thought an average reduction, would be fair and reasonable. That in some places it should be reduced, maybe to 25%, and in some places there should be no reduction at all. Of course, I am still opposed to the horizontal reduction, and to the 8% offered by Commissioner Stanton. Of course, that does not cut so much of a figure in the horizontal reduction as 15%. I am in favor of a fair reduction, and I think the rates should be lowered.

"THE CHAIRMAN. I favor a general reduction, as I have stated here before, for the reason that the Railroad Company has been at work for twenty years—in fact, ever since it has been in existence. It has made all these classifications and taken into consideration all the facts entering into the subject. They have adjusted pretty generally, especially on all their trunk lines, and from their knowledge they have adjusted these rates corresponding to the circumstances, probably about as fair as we, who are strangers to the business, could make them, so I have been in favor of a general reduction along the line, believing that it would take less time, and it could do better handled in that way.

"COM'R CLARK. We are simply to vote on the grain rates?

"THE CHAIRMAN. On the whole resolution.

"COM'R CLARK. I understood the other day there was to be a division on the question. I would like to have a division. I move to make a division of that question. I would like to vote on the grain separately.

"THE CHAIRMAN. What is your motion?

"COM'R CLARK. That there be a division of the question, and that we take up the grain rate.

"COM'R STANTON. My substitute contains simply one proposition. It means an average reduction of 25% upon all rates at the present time existing on the Southern Pacific system in California. I include in that the reduction on grain. I consider that if we sit here day after day in this investigation that we will get just about the same information that has already been furnished by the company, and I have approximated as closely as possible in my own mind what would be a proper percentage of reduction which we should allot to grain. I have included the grain rates under the general resolution which I have offered as a substitute, and for that reason I am opposed to any division of the question. If this Commission decided there should be a reduction of 25% on these rates—and I think grain should be entitled to a certain percentage on that reduction—if it is 25%, or if it is 30%, I am willing to vote upon it. At the present time I feel certain that there should be given immediate relief to the extent provided for in my substitute.

"COM'R CLARK. It seems to me that Dr. Stanton's resolution is just as indefinite as mine. It did not specify a horizontal reduction. Of course, if his grain rate is an 8% horizontal reduction, and in the other it is an average reduction, that is indefinite, the same as my resolution. I would like a division of the question. I would like to vote for a reduction on the grain rate, but I cannot for the other.

"THE CHAIRMAN. The amendment is open to amendment.

"COM'R CLARK. But I have amended it by a division of the question.

"THE CHAIRMAN. That is not an amendment. I do not suppose there would be any objection to vote upon it separately.

"COM'R STANTON. I am in favor of taking up the original resolution, just as it stands.

"COM'R CLARK. I make an amendment to it. I move that there be a division of the question, and that the 8% reduction for grain be voted on first.

"THE CHAIRMAN. I think it is a question that is divisible.

"COM'R CLARK. I want to know when I vote for a reduction what I am voting on. I do not propose to vote on any resolution of that kind. I want to know what I am voting on.

"THE CHAIRMAN. It is that the question be divided, and that a vote be taken upon the adoption of that portion of the resolution relating to the fixing of the rate at 8%.

"COM'R STANTON. What is your motion, Mr. Clark?

"COM'R CLARK. I move to amend it, and to vote on the question that grain be reduced 8%.

"THE CHAIRMAN. That is the motion now.

"COM'R CLARK. That is the division I want. I want that part voted on first. I call for a division of the question.

"THE CHAIRMAN. Mr. Clark moves for a division of the question, of that portion calling for a reduction of 8% on grain. The question will be upon the adoption of that resolution.

"COM'R STANTON. Then I understand you to rule that the resolution at present before this Commission is my substitute which is offered for yours.

"THE CHAIRMAN. It is divisible. There are two subjects contained in it—one to make an immediate reduction of 8%, and the other is an average reduction of 25% upon all commodities.

"COM'R STANTON. I think there is but one subject in the resolution, and that it includes all freight rates. We have dealt to a certain extent in our investigations with grain rates, and have discussed wine-grapes and other commodities, but when we came to the financial department of the railroad system, when we come to discuss the question of bonds and the other issues, there the scope of inquiry broadened, and we took up not only the question of grain rates, but we took up the relative position which these rates had to other commodities, and for that reason I introduced this resolution as a substitute, affecting all the different rates of the Southern Pacific system. My provision, including at the present time the 8% reduction upon the grain, was for the purpose of giving immediate relief, which it had been urged we should take immediate action upon. I state now, and have stated before, that I am ready at any time, if it should be shown that they are entitled to further reduction, to give grain a further percentage of reduction. I do not see how that resolution can be divided, and how we can take up one part of the resolution at a time.

"THE CHAIRMAN. You do not understand me, probably. The amendment is open for consideration now. It can be amended in any particular before it is adopted, but after it is adopted you cannot do so. Mr. Clark can offer to strike out any part of it, or to insert any other words. He can do it under parliamentary usage. I have an amendment I wish to offer here, that does not affect the matter at all, except the wording of the resolution. The resolution as it stands reads: 'Resolved, That the Board proceed at once to adopt and revise rates in accordance herewith.' I move to strike out the first part of the paragraph down to the word 'rates,' and make it read thus: 'Resolved, That the Board proceed at its earliest convenience to adopt and revise rates.' It is a little different wording. That amendment or any other amendment would be proper. Mr. Clark is in favor of one part of the resolution, I infer, but he is not in favor of the other part, and to vote upon each separately gives him a chance to put himself upon record.

"COM'R STANTON. Is this the proposition before the Board at the present time, that the rates should be subjected to an average reduction of 25%?

"THE CHAIRMAN. There are really two questions, as I understand it, before the Board. Mr. Clark may want to vote for the 25% average reduction, and not want to vote for the 8%, or vice versa.

"COM'R CLARK. When this investigation commenced, Mr. Chairman, I was in favor of taking up the other commodities. On that I was voted down. Now, I want to vote on the commodity that we have under investigation, and that commodity is grain. That is the reason why I want to divide this question.

"THE CHAIRMAN. I think that the question is divisible; that a member has a right to vote upon either proposition. I consider there are two distinct propositions in the resolution.

"COM'R STANTON. I have no intention of showing any discourtesy to any member of this Commission or to Commissioner La Rue, but it was my idea in presenting the resolution, and for no other purpose, to bring this question properly before this Commission.

"THE CHAIRMAN. As I said before, Mr. Clark might want to vote for one part and not for the other; he might feel compelled to vote against the average reduction—I don't know what his intentions are or how he

will vote—but I do not think it would be improper to divide the question and vote separately upon it.

"COM'R CLARK. I call for the question of 8% reduction on grain.

"THE CHAIRMAN. Those in favor of the adoption of that portion of the amendment offered by Commissioner Stanton, relating to the reduction of the rate on grain, fixing it at 8%, will answer aye as their names are called, and those not in favor will answer no.

"COM'R STANTON. Do you mean to vote upon this as a separate matter? Are we to vote upon Mr. Clark's motion, or upon the proposition contained in the resolution—that is, which includes Mr. Clark's amendment?

"THE CHAIRMAN. Mr. Clark can explain himself. He asks for a division of the question, and a vote upon it separately. I think the question is divisible.

"COM'R CLARK. I think there are two questions in that.

"COM'R STANTON. Which question do you want brought up first?

"THE CHAIRMAN. We will try to get a motion as to which one should be brought up first.

"COM'R STANTON. I ask for a ruling upon the subject. Then we can proceed according to the ruling.

"THE CHAIRMAN. The Chair rules that the question is divisible. Now, then, that makes two questions. Now, Mr. Clark moves that we first consider the first part of the resolution.

"COM'R STANTON. As a matter of course we will consider it first. The proposition is a fair one. We have already considered that amendment—I mean, making a reduction of 8%, but there is no further amendment made, as I understand it, to that amendment.

#### GRAIN RATE ADOPTED.

"THE CHAIRMAN. It does not change that at all. The motion will now be upon the adoption of that proposition. Those in favor of that portion of the amendment will signify by answering aye, those opposed, no.

"(Carried.)

"THE CHAIRMAN. I would like to offer that amendment I mentioned.

"COM'R STANTON. What is that?

"THE CHAIRMAN. To change that part of the resolution that provides that the Board shall proceed 'at once to adopt and revise the rates,' and in place thereof to insert 'shall proceed at its earliest convenience.'

"COM'R STANTON. Of course, immediately or at our earliest convenience.

"THE CHAIRMAN. We get together and adopt a schedule at our earliest convenience.

"COM'R STANTON. I am ready, for my part, to go on at any time.

"THE CHAIRMAN. I want to get it in a little better shape. 'That the Board proceed at its earliest convenience to formulate, adopt, and revise the schedule of rates.' It does not alter it in any particular.

"COM'R CLARK. I am satisfied. I have no objections.

"THE CHAIRMAN. The question is upon the adoption of the amendment by myself. Those in favor of the adoption of the amendment will say, aye, those opposed, no.

"(All voted aye, and the Chairman declared the motion carried.)

"COM'R CLARK. I would like to ask Commissioner Stanton, if, in his resolution 'on all commodities' implies that there shall be an average reduction made on all commodities.

"COM'R STANTON. I might explain myself to the Commission in this way: That there are rates, even in grain traffic, which, in my mind, should be submitted to a proper reduction, but it affects the revenue and earnings of the company. Now, if we decide upon a reduction, that reduction amounts to a certain specific sum, as in the case of grain rates, which would be, say, \$150,000 to \$200,000. It may be less or may be more, and it is our duty to determine what the special sum is that should be allotted to that commodity, and not overlook that which should be distributed to other classes of freight. If we find rates are reasonable, then that distribution can be applied to that place where the rate is unreasonable. If we find, for instance, or some of the members of the Commission may be informed, that there are certain rates which would demand a greater reduction than 25% or 30% in certain places, in that case I am in favor of reducing the rates to a proper amount and giving them their proper percentage of the reduction. That affects, of course, the revenues which the company receives. Of course, we will have to get the total. We have figures showing the tonnage of the different commodities, but not on the different classifications. We have the general merchandise—we have stone, cement, and a great many other things that may be included under a special commodity traffic. If the rates are fair and it can be demonstrated that they are fair, then it would be unjust to change them; but if unfair, it is our duty to reduce the rates to the proper standard and establish that rate and publish it. That is one of the duties of this Commission.

"COM'R CLARK. In going over these rates, if I come to the conclusion that the rates are just and reasonable, of course I want to fix them at that. I do not want to vote upon the general proposition of the 25% reduction. I don't know whether there can be one made.

"THE CHAIRMAN. You mean, Doctor, in your resolution, that when reductions are made they shall amount on an average to 25%?

"COM'R STANTON. If you take one class, for instance, and say there is a \$40 or \$50 rate on it, and say there was a certain sum allotted to that certain classification, as the proper share of its reduction, and it was agreed upon by this Commission, then the rates which had been unjustly discriminated would be submitted, first, to the action of the Commission, and reduced accordingly; then further reduction would depend upon the action of this Commission entirely.

"COM'R CLARK. To a further reduction than 25%?

"COM'R STANTON. If it is found that these discriminations before adjustment would not give to that special classification the precaution of the allotment agreed upon by this Commission, then the action of this Commission would determine the rates which should be adopted.

"COM'R CLARK. Say the total revenue is \$16,000,000 per annum. It is your intention to lower that 25%, which would leave the revenue \$12,000,000. It is your intention to take 25% from the \$16,000,000?

"COM'R STANTON. Yes.

"COM'R CLARK. And distribute that 25% equally among places, or anywhere you consider there is discrimination?

"COM'R STANTON. This Commission determined that the reduction of grain previous to the adoption of Grain Tariff No. 2—or after the



adoption, rather—amounted to \$230,000, I believe. Now, in addition, we have to give a further reduction of about \$145,000 in round figures. Now, it is upon that statement that we should act equally upon the different commodities.

“COM’R CLARK. It seems to me that that resolution is unreasonable, in this way: If we are going to work on traffic sheets, let us prepare to bring them in here, and vote on them. I do not want to vote for a 25% average reduction, and then go to work and find out all the amounts that should go to the different commodities. If we think they should be cut down, prepare our traffic sheet, and vote upon it. I wish to say now that I cannot vote for that part of the resolution.

“THE CHAIRMAN. It seems to me the proper way for us to do is to take up each commodity, each special commodity, and adjust it as near as we can, and then take up the general classifications, and go through them, and make such reductions as we think should be made. To go through all the different articles, and the different rates upon each article, it seems to me would be rather an intricate job.

“COM’R CLARK. Mr. Chairman, we have got to adopt a schedule here before we put it in force and go over the whole classification. I do not believe this Commission is competent to do it without help. Of course, we can judge whether the rates would be reasonable and just, I suppose; but to do what is proposed we would have to have lots of clerical help, and where is the money to come from? My idea is to go over the commodities most needful and fix the rates on them.

“COM’R STANTON. I am ready to take up any of the special commodities, and take them up one after the other, just as their urgency demands; as for the other classifications of freight, it is a simple matter to consult the ‘Western Classification.’ I have prepared a list of articles of commodities under the ‘Fourth Classification,’ and I have also prepared a number of different commodities under the fifth. Now, we can go through them very easily. We have them right before us. I will have two or three copies prepared for the other members of the Commission, if necessary. As far as the clerical work is concerned, we will have to do the work ourselves. I have been obliged in the past four or five or six months to do this work, and I have kept at it. Of course, we cannot accomplish impossibilities, but we can do the best we can under the circumstances.

“THE CHAIRMAN. It would suit me better if this resolution was modified somewhat. While in favor of every reduction that can be made as reasonable, and while I do not say I will not support the resolution, I would prefer to have it a little more flexible than it is. It seems that it is compelling an average reduction of 25%, and you must make a reduction of one fourth of all the earnings of the company. If we adopt the resolution it will compel us to go minutely into every detail and consider all the different articles, and that would be a great deal of trouble.

“COM’R CLARK. I am ready for the questions.

“COM’R STANTON. There is no doubt but it will necessitate a great deal of work, and it will require constant attention.

“THE CHAIRMAN. In taking up every article to make a horizontal reduction, those articles which belong to the grade that is carried in large quantities, that would not be so difficult; but when you come down to articles of merchandise in their detail and the different rates

and classifications, I don't think a horizontal reduction would be practical. It would satisfy me better if the resolution was modified in that respect. I would like to have some option as to the amount of reduction we should make. If I should find that 25% was not enough, I would make it more. But if I should find, in going through the whole matter, that 25% on the whole business was too much, I would not feel like being bound. I would like to be able to deviate from that.

"COM'R CLARK. Question.

"COM'R STANTON. I am ready for the question. I call for the question, Mr. Chairman.

"THE CHAIRMAN. The question arises, if we should find in adjusting these matters that we could not make an average reduction of 25%, what would be our position?

"COM'R STANTON. That, of course, is taking a hypothetical view of the position. It is a supposition, of course, that we have to take into consideration, but I think we can adjust every rate under that resolution, and regulate every rate under it, and that we can adjust every discrimination and establish a schedule and publish it as an official schedule.

"THE CHAIRMAN. Of course we can adjust every rate, and adjust every discrimination without doing any particular injustice. But what I was getting at was, that when we come to go over the whole of it, if we find that we have not made such a reduction, then what are we going to do? Of course, if I thought it unjust, I would not do it. But at the same time I would not want to do a thing that I might afterward regret.

"COM'R STANTON. I think, Mr. Chairman, when we meet such circumstances, it will be time enough to consider them. I think that so far during our investigation we have not met with any of the difficulties that you have stated. But if, during the time that we are publishing and establishing our schedule, we meet with such circumstances, we will consider them.

"THE CHAIRMAN. We would then have to reconsider what we have done here, if we find we cannot do it.

"COM'R STANTON. If there has been any injustice done we would have no trouble in reconsidering it at any time. But it does not seem to me as though there is any injustice in this.

"THE CHAIRMAN. I do not know that there will be. That is, I am not positively certain that there will be. But the question might arise. There are a great many commodities that ought to have a very slight reduction, and there are a great many others where a reduction of 25% would amount to very little on each individual article. Of course, under this resolution, we would be bound to make the average. If that clause was eliminated, of course, that would make it very easy.

"COM'R STANTON. I want to be perfectly fair, Mr. Chairman, and say that there is nothing in that resolution in any way concealed. There is no joker, or anything of that sort, in it. But it seems to me a fair and square proposition that those different classifications should be entitled to a certain percentage of reduction. Here we have different classifications upon which no reduction has been given during the past year or so, and they are entitled to a reduction if the rates are excessive, and I think in a great many cases there are excessive rates.

"THE CHAIRMAN. Quite a number of them.

"COM'R STANTON. That does not prevent us from taking up those special commodities. We can take up grapes, or we can take up flour, or take up hay, and go right along in that manner and pursue our investigations, and make what reductions are needed.

"THE CHAIRMAN. Suppose when you make those reductions on those special commodities, or general articles of merchandise, after you have gone through them you find that you have not made a reduction of four million. Then we must go over them again and get that four million.

"COM'R STANTON. We will give it to grain, then.

"THE CHAIRMAN. We don't want to give it to grain unless it is right that grain should have it.

"COM'R CLARK. I would like to ask Commissioner Stanton if it is the intention to make reductions on various commodities without inviting the carrier here and giving him a hearing?

"COM'R STANTON. I think that depends entirely upon the Commission.

"COM'R CLARK. As I understand your resolution, it does not give the carrier a chance for a hearing. The investigation before was strictly on grain. Of course, what I am getting at is to be strictly in accordance with the law.

"COM'R STANTON. I am in favor of giving every one a chance to be heard. I am in favor of all of these different shippers that come here having a chance to be heard upon this arrangement establishing a new schedule.

"THE CHAIRMAN. Of course, I have considered this matter very fully. I wanted to hear your opinion upon it. I have got your idea, and I should like very much, of course, as I said before, to have it modified a little. I want to make, and I am anxious to make reductions wherever they can be made in reasonable justice, but I don't very much like the idea of agreeing to do something that I might find it impossible to do.

"COM'R STANTON. If we find it impossible to do it, Mr. Chairman, then we can step right down. If we find that it is an impossibility—

"THE CHAIRMAN. It is not an impossibility, but I mean an impossibility without doing justice.

"COM'R STANTON. I shall never vote to do an injustice to any person, and until it is shown to me that there is some injustice done, of course I would be in favor of this original proposition.

"COM'R CLARK. I move, Mr. Chairman, that this matter be laid over until next Wednesday.

"THE CHAIRMAN. We have given a great deal of time to this matter, Mr. Clark. I would not object to a postponement until to-morrow, but I think we ought to decide this question—that we ought to dispose of it very soon. There has been some question here I was not fully determined in my mind in reference to, and I wanted Dr. Stanton, he being the introducer of the amendment, to give his ideas. If I can conscientiously and consistently support him, I want to do it. But I do not want to do anything that I may regret hereafter, possibly. I want to act fairly and right. I want to do justice to every person, and if I can see my way clear to support Commissioner Stanton in this part of his resolution, I desire to do it. I would like until to-morrow to consider, but I do not want to put it over a week.

"COM'R CLARK. I have no objections to any time. I thought to-day was Saturday.

"COM'R STANTON. Mr. Chairman, the resolution was presented last Saturday, and in the meantime we have had four or five days to consider it. I am ready to vote on the resolution at the present time. I do not see any modification that could be made in that resolution that could conform to my ideas. It seems to me a reasonable proposition, fair, just to the carrier and just to the shipper; and until we have performed some act of injustice, I do not see any objection to the adoption of the resolution.

"COM'R CLARK. I would like to say, Mr. Chairman, that I have made up my mind thoroughly as to how I shall vote upon this matter; of course, it would not take me long to consider the matter. That is why I wanted a division of the question, so as to get the other portion of the resolution before us. In voting to adopt the other portion, I made up my mind that I could not support this part of the resolution.

"THE CHAIRMAN. I have given considerable thought to it. Of course, it was introduced here the other day without any explanation whatever, and I have thought it over very carefully, and I am anxious to do what is right in the premises; but, as I said a little while ago, I don't want to commit myself to do something that is not right. And the question presents itself to my mind that in adopting this resolution, whereby it provides that we shall make an average reduction of 25% upon every commodity and every article that is carried by the railroad, might put one in a position that he would have to do an injustice. On my way up here I was met by a very prominent, a very good friend of mine, and an old friend, and he called my attention to this fact, and after talking awhile with him, I concluded, even before we came here to-day, that I would like to give it a little more consideration before I was called upon to vote upon it. I would like to look into it a little further. The question is involved here whether the Railroad Company can stand a reduction of 25%, and if I am satisfied that they can justly do so, I am in favor of it, and of making this proper adjustment. But if I should be differently informed from what I am at present—I might say at present, by way of illustration—that I believe, from the facts before me, that there should be a reduction of 25% made, and voted for this proposition, but upon further investigation and my becoming more familiar with the variety of questions that present themselves, I might come to the conclusion that we were mistaken in fixing that amount as a fixed fact, that it should be that way, and then we have either got to stultify ourselves or do something contrary to conscience or what is right. That is all there is to it. There may be a legal proposition involved also—I don't know about that. I will be ready to vote upon it to-morrow.

"COM'R STANTON. Mr. Chairman, the investigation of the schedules, and the investigation of the rates which we finally fix, will be the only test that can be offered as to whether we are acting reasonably and justly.

"THE CHAIRMAN. But until we have formulated a schedule, I cannot say positively whether that reduction is proper or not. It depends entirely upon our investigation. If we investigate the schedules, and go through the different commodities and different classifications, and determine that those rates should or should not be reduced 25%, it would be an easy thing to decide the point then; but the question, as I understand, before this Commission is, whether the rates should be subjected to an average reduction of 25%. I want a little time to consider it before I vote

upon this proposition, merely upon the questions that I have stated here to-day. I am anxious to get through with it as quickly as possible.

"COM'R CLARK. I would suggest that as long as the Chairman is undecided, that we take an adjournment.

"COM'R STANTON. I would be opposed to any further postponement, for this reason, Mr. Chairman, that we have to start in upon the schedule, the grain schedule, and every moment of our time is precious at present, and I think it will be necessary for us all to take part in the formulation of that schedule.

"THE CHAIRMAN. I am perfectly willing and ready to go at it to-morrow morning.

"COM'R STANTON. I have about forty or fifty different statements prepared here, ready to go on with, for that schedule.

"THE CHAIRMAN. If there is no objection, we will postpone further consideration of the matter until to-morrow at 1 o'clock.

"COM'R CLARK. I am satisfied to take it up now and go on. As far as I am concerned I do not like to insist upon the Chairman voting upon this now, or to force him to a vote.

"COM'R STANTON. I would not like to force the Chairman into a vote upon any proposition.

"THE CHAIRMAN. Of course, as I said before, I have heard your views, and I have been in doubt somewhat as to the proposition. I was in hopes that it might take a different course here to-day.

"COM'R STANTON. Mr. Chairman, my views are those which I have presented to the Commission, and it would be unnecessary to repeat all the different statements that I made.

"THE CHAIRMAN. As you said a little while ago, there might be a joker in it, but I do not regard that there is any joker in it. I think that it is plainly set forth. It is a question as to whether we should adopt that or not—whether there is anything in the resolution that would prevent me from acting fairly and justly.

"COM'R STANTON. The resolution provides for the regulation of all discriminations, and it provides for the regulation of unjust charges.

"THE CHAIRMAN. It further provides that in regulating these discriminations and regulating the unjust charges we must make it upon the basis that there shall be a reduction of 25%, right or wrong.

"COM'R STANTON. It does not provide for it, right or wrong.

"THE CHAIRMAN. But you must make the reduction of 25%.

"COM'R STANTON. It provides for a reduction of 25%—that the reduction shall be that specific sum. But how it shall be distributed shall be for this Commission to determine. If we had discovered the exact figures from the Railroad Company, showing the different amounts of freight earnings from the different classifications, we would be better able to say what should be allowed to each classification; but we have not, and so, for that reason, it was, in my opinion, only possible to say what should be given on grain.

"THE CHAIRMAN. Well, that is only approximately—we did not make it 25% on grain.

"COM'R STANTON. Our investigation might show that grain would be entitled to a higher percentage than what has already been given, and if so, I am prepared to vote upon that, and give it the proper percentage of reduction. But I claim that with the 8% reduction given that it will not affect any one unreasonably, and that we will be able to

formulate a schedule, based upon the horizontal reduction of 8%, which will be reasonable and just, and such further regulation as this Commission shall make upon those rates. If it is decided, as I said, to give grain a further reduction, why, I shall vote for it. But for the present, I am in favor of saving some percentage of the reduction for other shippers. I think if we go along in this manner and give horizontal reductions to different commodities and different classifications, that we will eventually reach a point where, instead of making a 25% or 30% reduction upon the rates of the company, we will make a reduction that will apply to certain classifications and certain commodities which would get the entire benefit of the reduction, and other commodities would be in the same position.

"THE CHAIRMAN. There is no proposition to make a horizontal reduction in anything else, and even if we should pass this resolution it could not affect the grain rates, because you have not made a horizontal reduction there of 25%.

"COM'R STANTON. No, but there has been a reduction of 11%, and we give an additional reduction of 8%, and then we bring it, by this resolution, up for adjustment on the discriminations and unjust charges.

"THE CHAIRMAN. Certainly, we will do that, even if this other part was eliminated.

"COM'R CLARK. What time do you want it to-morrow?

"THE CHAIRMAN. One o'clock to-morrow.

"COM'R CLARK. I move we adjourn to 1 o'clock to-morrow. If we cannot agree, we might as well adjourn.

"THE CHAIRMAN. I don't want to delay the action of the Board, or take up any more time than is necessary; but the question presents itself here for the consideration of this Board, to my mind, as I have already stated, without expressing an opinion as to how I would vote upon it. I have entered into this investigation of the subject here for information, and I think I will feel better satisfied if I cast my vote to-morrow than I would do at this time, though if it is necessary I could do so at present.

"(A number of communications were read and filed with the Secretary.)

"(On motion, the Commission adjourned until Friday, September 13, 1895, at 1 o'clock.)

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"SAN FRANCISCO, September 13, 1895.

"PROCEEDINGS OF THE BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF CALIFORNIA.

"The Board met pursuant to adjournment.

"Present: Commissioners La Rue, Stanton, and Clark.

"THE CHAIRMAN. Now, the question will be upon the adoption of the amendment of Dr. Stanton to the original resolution. Are you ready for the question?

"COM'R CLARK. I understand this is Dr. Stanton's resolution that is brought in here, with the exception of the little amendment offered to it—the resolution of Dr. Stanton presented here.

"THE CHAIRMAN. Yes, sir; we divided upon one part of it. The question is now upon the 25% resolution.

"COM'R STANTON. As I understand it, there has been a division upon that question. Now, I understand that all that remains to be voted upon is the resolution affecting the reduction of 25%.

"THE CHAIRMAN. Yes, sir; I have thought the matter over carefully, and submitted it to writing—an explanation of my vote. I will read it:

"Having voted yesterday for a reduction upon grain rates of 8%, upon the question as divided at the suggestion of Commissioner Clark, I now deem it only proper to say a few words in explanation of my vote upon the rest of Commissioner Stanton's resolution.

"I declined to take the pledge sought to be imposed upon me for an average reduction in freight rates of 25%, and my reasons for so doing were, that at that time I had no sufficient information on the subject to enable me to pledge myself to a reduction which might be unjust to the railroad corporation to be affected by our action.

"That the rates of freights and fares in this State, as exacted by the Southern Pacific Company ever since its organization, and now, have been grossly oppressive, is known to every intelligent man in the State, especially to those who, like myself, have traveled constantly and made large shipments over their lines.

"I am of the opinion that the earnings of the railroad lines of the Southern Pacific system in the State of California are sufficient to pay their operating expenses, maintenance, and a fair rate of interest upon their real value and legitimate cost. The statements made and the testimony taken during this investigation, by those connected with the company, concerning the sale of bonds, cost of moving freight, and other expenditures, were indefinite, unsatisfactory, and evasive, but from the information so obtained, I am of the opinion that a reduction of 25%, inclusive of the reductions made since the 1st day of December, 1894, will not be unjust or oppressive. For a great many years the shippers of this State, not only the farmers, but shippers of merchandise to the interior, have been subjected to a system of exaction and extortion, which has been the subject of constant complaint. As I understand Dr. Stanton's resolution, it is an average reduction of freight rates on all classes of freight of 25%. It seems to me that fairness to the Railroad Company justifies this reduction, and justice to the oppressed freight-payers of this State imperatively demands it.

"A constant threat has been made to this and other Commissions, as a Board and through the public press, that if ever reductions were made which were not satisfactory to the Railroad Company our actions would be reviewed in the courts. Of course, we cannot anticipate what the action of the courts may be, but we can at least put the machinery in this Commission in motion, to the end that the intention of those who framed the Constitution, and of the people of this State who adopted it, may be carried into effect.

"Satisfied as I am now that such reductions are legal and just, I shall, notwithstanding my present vote, always hold myself in readiness to change or restore any rate which change of circumstance or further evidence may convince me is unjust to the Railroad Company. I fully realize the fact that we owe not only a duty to the people, but to the corporation itself, and stand prepared to perform mine to either party, whenever the occasion should justify it.

"I therefore announce that upon Dr. Stanton's resolution for a reduc-

tion of 25%, I shall vote aye, and trust that we may shortly be able to prepare a schedule and put these new rates in force.

"The question now is upon the adoption of the resolution.

"COM'R CLARK. Mr. Chairman, as I stated yesterday, I cannot support the resolution. While I might vote, after a thorough investigation, for a 25% reduction, yet I will not now—I cannot commit myself beforehand. In the first place, I have been told by competent attorneys that there have been decisions in cases of this kind, and that decisions have been reversed on the ground that the Railroad Company had not been informed of the matter so as to appear before the Commission before the fixing of the rates; and if that is the case it seems to me the right way to get at this, and the best way to get at it, is to notify the company to appear before this Board, and give them a number of days to prepare for it—to come before this Board and show cause why the rates should not be lowered.

"THE CHAIRMAN. They have had a hearing here for three weeks.

"COM'R CLARK. Mr. Chairman, we had a hearing on grain rates only, and our reports show it.

"THE CHAIRMAN. Well, it covered the whole ground.

"COM'R CLARK. That makes no difference. There are other questions that can be asked upon this matter.

"THE CHAIRMAN. We have no objection to that, Mr. Clark, we have not made these rates yet.

"COM'R CLARK. I have another reason: I was nominated on the platform that did not pledge me to any resolution—I was nominated by a party of broader principles than that—by a party of protection—that did not pledge me, or any other nominee, or any other of the Railroad Commission, to do only their honest duty. I wish to do that in the future, as I have in the past. I do not care what the criticisms of the press or the public may be. I am here to honestly and conscientiously do my duty, and I shall vote in that direction during my incumbency in my office. If the Democratic party has pledged their nominees, as has been said, and as the Democratic papers have been hounding us to go in with the 25% reduction, that has nothing to do with me. I am a Republican member of this Board, and I am simply putting myself upon the records. If upon investigation, when we go through this matter and make up our tariff sheet, I shall vote where I think reductions should be made, and that is the only pledge I shall make to the people. When I was going through my campaign I told the people in my district not to vote for me on the ground that I should go to work and confiscate the railroad property and tear it up, and 'cuss' the railroad, but on the ground that I would treat them as I should the shippers. I believed reduction should be made, and I shall vote for reduction when the tariff sheet comes in, in places; I do not know to what extent, and I do not believe there is one member on this Commission to-day who can conscientiously say whether there should be a 25% reduction or not.

"THE CHAIRMAN. We do not propose to make any general reduction.

"COM'R CLARK. Well, it is an average reduction. It seems to me the question before the Commission to-day is to uphold the Democratic platform instead of the rights between the shipper and the company.

"THE CHAIRMAN. I do not think the platform has anything to do with it. It doesn't have anything to do with me, because I declined, as



I stated in my remarks awhile ago, to pledge myself when I was nominated. The platform is one thing and men's actions are another.

"COM'R CLARK. I notice that it entered into the discussion of the grain rates between you two members.

"THE CHAIRMAN. What did?

"COM'R CLARK. The Democratic platform.

"THE CHAIRMAN. Well, I will say I didn't pledge myself.

"COM'R CLARK. Well, I simply want to place myself right with the public.

"COM'R STANTON. I wish to say in regard to this reduction that I honestly believe that these reductions can be made; but when we make rates that are unreasonable or unjust, I think then it is time for us to meet that proposition. If we to-day start on this proposition of reducing the rates 25%, and publish and establish these rates—and if there is any rate made during our calculation that is unjust or unreasonable, the railroad, or their representatives, can come here—the representatives of the tariff department can come here and show us where it is unreasonable, and we will hear them upon the subject. They have rights which, of course, cannot be lost sight of. I have no intention of doing any injustice, but to act fairly. As far as pledges are concerned, the pledge of the Democratic party to a great extent, I believe, is just, and I believe that the pledge should be upheld. I see no reason why it should not; we are not discussing the political situation at the present time.

"THE CHAIRMAN. We are in the midst of a ballot now—a partial report. This amendment has been adopted, and the question now is upon the adoption of the amendment offered by Dr. Stanton to the original resolution. Are you ready for the question?

"COM'R CLARK. Question.

"THE CHAIRMAN. Those in favor of the adoption of that portion of the amendment not voted upon yesterday will answer aye, and those opposed will answer no. The Secretary will call the roll.

"COM'R CLARK. I want to state again, to put myself right, that when these matters are investigated, and we go through them, I will vote for reduction where I think it is proper, but I shall not uphold a pledge of any political party.

"THE CHAIRMAN. I think I said, and Dr. Stanton said the same thing, that if we cannot do this without injustice to the Railroad Company we will make changes.

"COM'R CLARK. You ought to be sure you are doing it before you do this. You are virtually fixing the rates.

"THE CHAIRMAN. Mr. Secretary, call the roll.

"(The Secretary called the roll upon the adoption of the resolution. Commissioner Clark voted no, and Commissioners Stanton and La Rue, aye.)

"THE CHAIRMAN. The ayes have it. The resolution is adopted. The question comes now upon the adoption of the resolution as amended. All those in favor of the resolution as amended will answer aye, and those opposed will answer no.

"COM'R CLARK. That was offered as a substitute, as I understand, and wiped yours out entirely.

"THE CHAIRMAN. This will wipe it out as soon as we take the vote on it.

"COM'R CLARK. I think it is wiped out now.

"THE CHAIRMAN. As I suggested, we voted upon it as a whole, and it was amended. The difference between the substitute and an amendment is that the substitute as adopted is to take the place of the original proposition; that is subject to amendment; but the amendment itself must be perfected before it is adopted, because we cannot amend it afterward.

"COM'R CLARK. This resolution that we have voted on now has nothing to do with the resolution you introduced. Yours was on grain rates specifically, and we voted on that specifically.

"COM'R CLARK. So far as the grain rates are concerned.

"THE CHAIRMAN. What is the objection to adopting it as a whole?

"COM'R CLARK. You can adopt it then, if you want to; but I don't see anything before the Board.

"THE CHAIRMAN. We have voted upon three propositions. I offered an amendment, which was adopted; and now the question is, shall we vote upon the whole—shall we vote upon the resolution of Dr. Stanton as amended? We voted upon it separately before.

"COM'R STANTON. Mr. Chairman, I believe the question of division came up before the Board yesterday, and that acted in the same way as an amendment would. An amendment can be made to a motion either by striking out certain portions or by changing certain portions. For that reason we voted entirely upon the 8% question and took that up as an amendment, and that was passed by an order of the Board. You suggested as an amendment that the words 'at the earliest convenience' should be substituted for 'at once.' The question, as I understand it now, is only the vote upon the resolution.

"THE CHAIRMAN. Upon the whole as amended—that is the question—that is the proper question, that is the proper way in all political bodies when you amend any part of it.

"COM'R CLARK. You mean this last resolution you adopted this morning? You want to vote on that as amended?

"THE CHAIRMAN. That is only a part of it. We voted upon it in division, and we also voted upon another part of it. Now the question is upon the adoption of the resolution of Commissioner Stanton as amended. The Secretary will call the roll.

"COM'R STANTON. I will ask for a ruling upon that. We voted upon the division of that question yesterday. We voted then upon that portion of the resolution fixing the grain rates—fixing the reduction at 8%. That was passed, and that we have nothing to do with at the present time, but we will simply take up this other proposition of reduction—the average reduction of 25%.

"THE CHAIRMAN. That is voted upon.

"COM'R STANTON. That is voted upon.

"THE CHAIRMAN. And my amendment is voted upon. We voted upon the separate portion. Now the question comes upon the adoption of the whole resolution as amended.

"COM'R CLARK. Dr. Stanton put in his as a substitute. If it is adopted that wipes the other out, Mr. Chairman.

"THE CHAIRMAN. Of course it wipes it out; but we have adopted it by piecemeal, and now we will as a whole.

"COM'R CLARK. Some of the members voted aye on one portion of it, and no on another. I shall refuse to vote.

"THE CHAIRMAN. We vote upon separate propositions, but when it comes up on the whole, if you do not like it, even though you voted for some part of it, you have the right to vote against it as a whole; it is the duty of every member to perfect an amendment and get it as near as possible to suit him—it is his duty to do that. Then he has the privilege, when it comes up for adoption as a whole, to vote against it if he thinks proper—that is parliamentary usage.

"COM'R CLARK. Then you are not voting on the 8% reduction at all?

"THE CHAIRMAN. Yes, that has already been passed. Now we vote upon the proposition as a whole.

"COM'R CLARK. How can I vote upon it as a whole—I cannot split my vote?

"THE CHAIRMAN. You offered an amendment to it, and your amendment was voted down—the majority voted against you. So you did all you could to perfect the amendment to Commissioner Stanton's resolution to suit you, and failed. You got a portion of it, and a portion of it you did not. Now it comes up as a whole. That is a proper question to put.

"COM'R CLARK. I am asking now for information, when a substitute is put in for a resolution, and the substitute is adopted, does that not wipe out the resolution?

"THE CHAIRMAN. Yes, if it was put in and treated as a substitute, but we have not treated it as a substitute. We have voted upon the proposition just as we have upon yours. We treated yours as a substitute. We did not offer to amend it. If that had been adopted then I would have offered an amendment to it, and Dr. Stanton would have offered them. Then it would take the place of the original resolution—just take the place exactly; but this was treated as an amendment. You first asked for a division of the question before a vote was given upon its merit. You asked to have it divided, and we have voted upon one part of it. Then it became an amendment, and was treated as such all the way through. We have amended it; now, when it has been amended, we passed over it and considered it in all of its phases, and we have changed some of it, and the majority of it we have adopted as it was introduced. Now the question comes up on its adoption as a whole. If it was the case of a bill before the Legislature—a bill pending—and another party offered a bill as a substitute, it would be taken up then and adopted or rejected. If adopted, then it takes the place of the original bill, and the House of Representatives or the Senate proceeds to consider it just the same as the original bill; but if it is offered as an amendment before it is adopted, because after it is adopted it becomes a part of the bill, and you cannot change that afterward.

"COM'R STANTON. Mr. Chairman, you ruled on yesterday that there was a division—you ruled there was a division; then we voted upon one portion of the resolution. Now, that was passed, and with that we have nothing to do. We passed the 8% reduction on grain rates, and now we take up the other, as I understand it, and pass it as we have done. I am under the impression that that settles the matter at once.

"THE CHAIRMAN. Doctor, in the consideration of a bill before the Legislature, when it is considered in sections, we pass the sections—it is passed—it is adopted and another one, perhaps, amended, and we come to another and that is amended, and we come to another and that is adopted; the next one is not amended. Then, when we get through, the

bill comes upon the passage of the bill as amended, although we have passed upon these certain sections, and have voted upon them—some we have amended and others we have not—they have all been voted upon—and then the question comes up as to the passage of the bill as amended. That is the rule. I don't see any difference one way or the other.

"COM'R CLARK. This was a substitute for your resolution, and was an amendment to it.

"THE CHAIRMAN. The substitute is the same as an amendment.

"COM'R CLARK. Well, I cannot vote upon the propositions—it will be voting against the 8% reduction.

"THE CHAIRMAN. Then you are in an unfortunate position.

"COM'R CLARK. I do not consider myself in an unfortunate position. If that is the ruling, I am going to appeal from the decision of the Chair.

"THE CHAIRMAN. Very well, I will make a ruling in a moment. I do not want to inflict any hardship on any one, and I did not think of any such thing. I will clearly follow the rules that are observed in all deliberative bodies, legislatures, congresses, and everywhere else; that is the way such propositions are treated where two or more sections are contained in a proposition and are amended, stricken out, or added to. After you go through the whole bill then the question arises, Shall the bill pass as amended? That is the rule. I did not think of anything else but following out the common usage. I never thought of raising the question; but that being the question, that would be the ruling.

"COM'R CLARK. I think Dr. Stanton's resolution covers the whole subject-matter.

"COM'R STANTON. I think that every member of this Commission has a right to vote for whatever reduction he feels like. I think Commissioner Clark voted yesterday to reduce the grain rate 8%. Now, it was your ruling that that question was divisible, and that there should be a vote taken upon that amendment, or that portion of the resolution. It was voted upon and the three members of this Commission decided that that reduction should be made. Now, I see no other reason why Mr. Clark, or any other member of the Commission, should be excluded from the right he has to vote upon that particular question. If you favor that 8% reduction, I think you should be given the same credit as any other member of this Commission. Then, if it is made a question of policy, as Commissioner Clark has suggested, and he does not care to be placed upon record in that position—I am willing to be placed upon record, and I know you are.

"THE CHAIRMAN. I have no objection, Doctor. I was merely carrying out the rule. If the Board does not care to have this motion put—of course, the different parts of it have been carried already, and I have no objection. I do not want to put Mr. Clark in a false position—I would not do it for anything. When you first commenced talking I did not think of the position it put him in. That is the rule in any legislative body, and if it was there it would have to be carried out. The question, of course, was upon the resolution, or whatever may be pending. He endeavors to perfect it as long as he can, and when he gets it to suit him, he votes for it, and if he does not, he votes against it. He tries to get it as satisfactory as he can, but here it is somewhat different, perhaps, and I do not insist upon it, or desire to enforce any parlia-

mentary usage at all. We all know how he stands—how he voted upon it. We will consider the resolution adopted as it has been voted upon.

"COM'R STANTON. In all parliamentary bodies, as I understand, the members of that body would have the right to call for the division of the question contained in that resolution.

"THE CHAIRMAN. Yes, sir; that is my understanding.

"COM'R STANTON. Or the Chairman may make that ruling.

"THE CHAIRMAN. It is a question that ought to be divided. The Chair can make the statement or any member can ask that the question be divided—if it is a divisible question. I thought this was, as Mr. Clark said he would vote for a part of it, and the other part of it he could not vote for.

"COM'R STANTON. Well, the way I feel about it, I am willing to vote on the resolution as it is.

"THE CHAIRMAN. Well, if Mr. Clark objects, I do not wish to force him to vote upon it. It has been adopted—a portion of it by a unanimous vote of the Board, and a portion of it by a majority vote. The results should be the same, only Mr. Clark might stand upon record, upon the final vote, as voting against the whole resolution, I suppose. There is nothing else, is there?

"COM'R STANTON. Nothing else, except in relation to the new schedule. You will find in scheduling these rates there are different fractions and percentages that will occur, exceeding in some cases more than a half of a cent on either side, and I think it would be well to instruct the Secretary how to make it.

"THE CHAIRMAN. You had better make a motion in relation to it—that wherever there is a fraction it shall either go to the higher or the lower number, wherever you see proper.

"COM'R CLARK. Wouldn't it be better to prepare the schedule that way, and bring it in and adopt it then?

"THE CHAIRMAN. Afterward?

"COM'R CLARK. Yes, sir.

"THE CHAIRMAN. Well, that should be simplified as much as possible in that way, so as to leave out the fractions. If it was .923, you would call it .92—or would you make it entirely right to correspond with that exact reduction of 8%? I notice in the grain schedules here they are all even cents. In other States they carry it out further, even to mills. We do not get into mills very much in our calculations in California, but I guess we will have to come to it. We want to avoid as much as possible multiplication in carrying out these fractions. I think it ought to be simplified.

"COM'R STANTON. Wherever the fraction exceeds half a cent—where it exceeds half a cent over 1.97, let it be 1.98.

"THE CHAIRMAN. And less than half a cent, let it fall to the lower number.

"COM'R STANTON. Let it fall to the lower number; yes, sir.

"MR. MARTIN. I will state for the information of the Commission that the usual custom in making these rates by the ton is for the convenience of the shippers, as well as of the carrier, to use the decimal instead of odd cents—five or ten cents—we keep it on the decimal order.

"THE CHAIRMAN. I think myself that would be the most convenient for all parties.

"COM'R STANTON. If it was an odd number, say .93 or .94, you mean in that case you would make it .90 or .95?

"THE CHAIRMAN. You would carry it to the nearest number—if it was .93 it would go to .95, or .92 to .95.

"MR. MARTIN. If it was .92 it would go to .90.

"THE CHAIRMAN. .90, I mean; in other words, that the sum should end either in a '5' or a '0,' and go to the nearest number. Will you make a motion to that effect?

"COM'R STANTON. We can instruct the Secretary to that effect. We can prepare the schedule the coming week, and arrange it.

"THE CHAIRMAN. Well, in the arrangement of that schedule we do not want to do that in open Board. We can get everything ready by ourselves, but it must be adopted in open Board. We can do the work together much better.

"COM'R STANTON. We can agree upon the form in which it shall be published. Instead of the Southern Pacific Company system, it may be considered as the Board of Railroad Commissioners, then.

"THE CHAIRMAN. They would make the schedules that way, under the rules. You know I incorporated that in my resolution.

"COM'R STANTON. I think it would be well for each Commissioner to take a number of those rates and prepare them, and then have them here at the next meeting and submit them. We will have to do something of the kind in order to hurry it through.

"THE CHAIRMAN. We will meet here and do it. I suppose our Secretary wants to do some hard work. Well, that is a matter we can agree upon.

"COM'R STANTON. How would it be, Mr. Chairman, to prepare these schedules upon the different divisions, and serve them upon the Southern Pacific Company as they are prepared? I merely offer that as a suggestion.

"THE CHAIRMAN. Well, I suppose it would not take a great while to prepare them.

"COM'R STANTON. We are going to have the grain schedules concluded by next week; by Thursday or Friday of next week.

"THE CHAIRMAN. Shall we go over and correct these discriminations first, before making the 8% reduction?

"COM'R STANTON. I propose to make that horizontal reduction first, and then go over and make the amendments, with some exceptions; we can take those discriminations irregularly—what discriminations there are.

"THE CHAIRMAN. All the discriminations that are to be corrected it will be just as well to figure first, and then let the general reduction apply to the whole; but either way, it makes no difference. That, I think, though, would be the better way.

"COM'R STANTON. Very well; that would satisfy me.

"THE CHAIRMAN. Of course, we would have to take up the schedules and go through them.

"COM'R STANTON. Then we can meet here for that purpose any day that is agreeable, and commence work upon the schedules.

"THE CHAIRMAN. Monday?

"COM'R STANTON. Monday will suit me, or Tuesday.

"COM'R CLARK. I cannot very well be here Monday. I could not get to town in time; but I could on Tuesday or Wednesday.

"THE CHAIRMAN. Well, Tuesday, then? What time—at 10 o'clock?

"COM'R STANTON. Ten o'clock; yes, sir; in the meantime I will have a number of the schedules prepared, and we will go at it as rapidly as possible.

"THE CHAIRMAN. What time does your train get in?

"COM'R CLARK. About 11 o'clock.

"THE CHAIRMAN. Well, say 1 o'clock. I cannot get here by 10 o'clock. I can get here by 11.

"COM'R CLARK. I could not, either. In the meantime, I will look over the schedule and make a study of it. I think there are discriminations made that ought to be corrected.

"COM'R STANTON. I have a table prepared already of what I consider discriminations, and we can proceed to adjust those on Tuesday. I move that we now adjourn until Tuesday, at 1 o'clock.

"(The motion is carried, and the Commission adjourned until Tuesday, September 17, 1895, at 1 o'clock P. M.)"

#### SCHEDULE OF GRAIN RATES.

The Commission met September 17, 1895, at which time Commissioner Stanton presented for adoption a schedule of rates to be charged by the Southern Pacific Company for the transportation of grain over its lines within the State; also, an order enforcing the same. The schedule and order were unanimously adopted, and on the 26th day of September, 1895, were served upon the officers of the company.

The company has failed, neglected, and refused to put the same in operation, and since the adoption of such schedule has continued to charge, for the services therein provided for, rates different and in excess of the rates fixed for such services by the Commission.

#### PROTEST OF SOUTHERN PACIFIC COMPANY.

Subsequent to the adoption of this schedule, the Southern Pacific Company presented to the Board the following protest, requesting that it be placed on file:

*To the Honorable Board of Railroad Commissioners, State of California—La Rue, Clark, Stanton:*

The Southern Pacific Company, in the assertion and for the maintenance of its property rights and those of its lessors, protected by the provision of the Constitution of the United States, protests against your proposed action fixing and establishing its freight rates, as threatened, outlined, and declared by your resolution adopted on the 13th day of September, A. D. 1895, and entered upon your official records. As grounds of protest, this company specifies:

First—The personal financial interest of the Chairman of your honorable Board in obtaining the greatest possible reduction of transportation rates for land products, and this by reason of the fact that he is one of the largest, if not the largest, land-owner and shipper by rail of land products in the State, should disqualify and does disqualify him from officially acting and passing on the subject of those rates in which he has so large a financial interest. It is not consistent with natural right that any person should officially sit and act and pass judgment upon a subject in which his own financial interest is directly involved, and which can, therefore, be largely promoted by his decision.

Second—The majority of your honorable Board are disqualified from acting in the premises, because bound in advance of any investigation or consideration of the merits of the subject to largely reduce the compensation to be received by this company for its services in transportation within the limits of California, and this by reason of the unqualified approval, acceptance, and indorsement of the platform, resolution, and requirements of organized political conventions, and of their having promised and

agreed to carry out in their official decisions the wishes of the members of such conventions, as expressed in their platforms, resolutions, and requirements, adverse to the property rights of this company. The majority of your honorable Board having been elected to their present position under and by reason of such approval, acceptance, and indorsement, promise, and agreement, are not free to act and cannot act impartially in passing upon a subject involving the property rights of this company, and are not qualified to fairly investigate here and determine, when not wholly free to render such decision as good conscience and unbiased judgment might demand.

Third—The evidence, testimony, and proofs before your honorable Board, of record, as the law directs in your official proceedings, show the facts to be and the facts are that this company has not received and is not receiving from its rates for transportation now in force sufficient revenue to pay any dividend to its stockholders, and has not received and is not receiving from its rates for transportation now in force a revenue sufficient to meet the necessary costs and the necessary fixed charges of the operation and maintenance of the railroad lines operated and maintained by it, and your official records do not show and there is not any evidence, testimony, or proof to the contrary. Notwithstanding these established facts, the majority of your honorable Board have deliberately pledged themselves, by the terms of your resolution adopted on the 13th day of September, 1895, to make such further reductions upon the freight rates of this company now in force as shall constitute an average reduction of 25% thereof, and to at once proceed to make and enforce freight-rate schedules accordingly.

By the adoption of this resolution, the majority of your honorable Board have decided to further reduce the revenue of this company from freight transportation in the State of California in the fixed amount of 25%, to be apportioned as an average reduction upon its freight schedules, but to be absolute in its effect upon the company's revenue, in advance of ascertaining or determining what, if any, rate is unreasonably high and should be lowered, and have definitely determined, notwithstanding the proofs shown by our own records, and which is without even the shadow of contradiction, that this company is not receiving for the services rendered by it in transportation, revenue sufficient to meet the necessary costs of operation and fixed charges of its railroad operation and maintenance, to reduce the income from its present freight rates in the fixed amount of 25%, to be hereafter averaged and forced upon its present freight-schedule rates for classes and commodities and between points which you could not, at the time of the adoption of your resolution, specify, for the want of necessary information as to present rates.

The Southern Pacific Company is advised and believes, and therefore charges, that in so proceeding you are not acting under any warrant or authority of law, but are unlawfully invading its property rights and are turning the form of regulating into the fact of confiscating its property, and that said resolution was adopted by the majority of your honorable Board, and such further action is contemplated by them pursuant to the pledge taken by them as aforesaid, and not upon proof and determination as to whether the present rates of said company are reasonable or otherwise. In so proceeding and acting, you will take its property for public use without just compensation; you will deprive it of its property without due process of law; you will deny to it the equal protection of the law.

Upon each and all of the grounds hereinbefore specified this company presents this protest against your further so proceeding and acting in the premises, and respectfully asks that this protest may be entered upon your records.

Dated September 17, 1895.

SOUTHERN PACIFIC COMPANY,  
By CHARLES F. CROCKER,  
Vice-President.

[SEAL.] Attest: G. L. LANSING, Secretary.

The Commission, believing the communication to be impertinent, frivolous, and insulting, refused the request and ordered the same returned to the officers of the company.

#### SOUTHERN PACIFIC COMPANY VS. RAILROAD COMMISSIONERS.

On October 15, 1895, the Southern Pacific Company filed a suit in equity, in the Circuit Court of the United States for the Northern District of California, against this Commission, seeking to annul the order fixing rates as adopted, and to restrain the Commission from putting said or any order or schedule in force reducing the grain or any rates then charged by said company for the transportation of freight within the State of California.

On the filing of this bill a temporary restraining order was issued, enjoining the Commission, not only from putting in force any schedule



of rates adopted prior thereto, but also restraining them from adopting or attempting to enforce or to adopt any other, further, or different schedule of rates for the transportation of freight and passengers by the Southern Pacific Company whereby the rates of charges then collected by it for such service should in any manner be reduced. This suit is still pending and undetermined, and said restraining order is still in full force and effect, with the result that since the issuance of the same the hands of this Commission, so far as the Southern Pacific Company is concerned, are effectually tied.

The defense of this suit has been entrusted to the Attorney-General of the State, who, realizing its importance, agreed with the Commission upon the selection of Messrs. Robert Y. Hayne, W. W. Foote, and J. C. Daly as additional counsel.

The questions at issue are of the utmost importance to the people of the State; and involve, not only the right of regulation of rates through the medium of a Railroad Commission, but the vital question of the right of the people of the State of California, through the Commission, to regulate or to interfere in any manner with the charges fixed by the Southern Pacific Company; and, if the position taken by the complainants is sustained, all hopes for regulation of the rates of this corporation are destroyed, and such charges as they may deem proper will be enforced, regardless of the will of the people.

One of the most unfortunate results of the issuance of the omnibus injunction against this Commission has been the prevention of any action toward the regulation of discriminations against various rail and shipping points. This is one of the greatest evils under which the shippers of California suffer, and the discriminations are numerous.

This Board has given considerable study to the question, and finds, in almost every instance of the more important irregularities investigated, that the carrier urges as an argument in favor of these charges that the presence of water competition is their justification. It is true that in many sections of our State, notably in the Sacramento Valley and shipping points close to the Bay, as well as points upon the coast reached by water and rail, shippers are more favorably situated for transportation purposes, but discriminations are specially prohibited by the constitutional provision of Section 21, Article XII.

The actions of other Commissions, including the highest authority, the Interstate Commerce Commission, recognize water competition as an important factor in rate-making, and we believe that some legislative action or constitutional amendment empowering the Board of Railroad Commissioners to determine the extent of territory affected by this factor would benefit shippers in general and deal fairly by all carriers. The natural advantage of a shipping point having water and rail facilities should not be destroyed by such active competition that consolidation of the carriers would result for mutual protection. The Board was engaged in the task of equalizing the rates of the Southern Pacific Company and correcting discriminations in grain rates when enjoined by the Circuit Court.

[The foregoing was transmitted under date of June 3, 1896.]

Since the transmission of the foregoing, the various railroad companies transacting business in the State have filed with this Commission certain reports of the business transacted by them. Formerly it was the custom of this Commission to make annual reports to the Governor for publication. At the session of the Legislature held in the year 1891 it was enacted that the publication of reports be made biennial instead of annual. The last published report of this Commission included the various reports of the railroad corporations made to the Commission of the business transacted by them for the period ending June 30, 1894. Reports have also been made by said railroad companies, of the business transacted by them for the years ending June 30, 1895 and 1896. It was originally the intention of the Commission to embody in its report, in detail, the reports of such companies for both of said years, but after investigation we determined that such a course would serve no useful purpose. All the information of public utility found in said reports for the year ending June 30, 1895, is substantially contained in reports for year ending June 30, 1896; their publication would be a useless repetition and entail a double expense upon the people of the State without a corresponding benefit. We have therefore determined to request publication of the reports of said companies as filed for the year ending June 30, 1896. The reports for the year ending June 30, 1895, are on file in our office, and additional information can be obtained if desired.

The annual reports of the transportation companies which this Commission require for the purpose of furnishing statistical information, were, in many instances, withheld until late in October, and for this reason the presentation of our report was delayed. It appears to this Commission that a deliberate effort was made by some of these companies to obstruct the action of the Board by questioning our authority to require annual reports; it is contended that as there is no provision of law by which carriers are obliged to report to the Railroad Commission, it is optional with them to furnish the desired data. To obviate further difficulty and needless litigation, we respectfully suggest the passage of an Act similar to that in force in the State of Kansas, which imposes a penalty for refusal to make suitable reports. Numerous applications for these reports come from every State in the Union, and foreign countries, and it is of vital importance that the data furnished should be complete in every detail.

The desire to have the favorable consideration of your Excellency and of the members of the Legislature enlisted in behalf of this and other measures which will be submitted, prompted this body to carefully investigate railroad affairs in California, and in addition we have examined the railroad laws of other States, and have compared them with the laws of this State, in order to suggest proper remedies for the existing evils, so that a more satisfactory condition of transportation matters in general may ensue.

#### RESTRAINING ORDER.

In the case of the *Southern Pacific Co. vs. The Railroad Commission*, asking for a temporary restraining order against said Commission:

Said cause came up for hearing before the Hon. Joseph McKenna,

Judge of the Circuit Court of the United States for the Northern District of the State of California, on the 22d day of October, 1895. The parties not being ready for trial, the case was postponed from time to time until the 10th day of December, 1895, on which day the trial commenced. The reading of affidavits and the argument of counsel continued for more than forty days, and the cause was submitted to the court for its decision on the 20th day of May, 1896.

The Hon. W. F. Fitzgerald, Attorney-General of the State, Hon. W. W. Foote, Hon. Robert Y. Hayne, and Hon. J. C. Daly appeared for the Commissioners.

Months have elapsed since the case was submitted. Under the temporary restraining order our hands are tied and we are powerless to act in any manner relating to the correction of discriminations, or the fixing of rates of freights and fares where the Southern Pacific Company is a party.

In this case, jurisdiction of the Commission is questioned, its constitutionality attacked, and its power to make and regulate rates of freights and fares, and to correct abuses and discriminations, denied.

Not desiring to involve the State in further litigation wherein the same questions would arise, we have refrained from attempting to regulate or change the rates of either freights or fares upon any of the other railroads operated within the State, believing it better for all parties interested to wait until the questions pending in the Circuit Court of the United States are decided.

The questions involved in the case now pending are of very great importance to the people of this State, and as a matter of right and justice to them the case should be decided and settled as early as can consistently be done, that the people may know whether this Commission has any power, or whether legislation is required to enable the Commission to carry out the intention of the Constitution, and the will of the people as expressed by them therein, or whether we are merely a Commission in name, without the power to accomplish any good whatever.

#### LEGISLATION.

The Legislature of the State of California passed an Act, approved April 15, 1880 (Chapter LVII, Statutes of California), to compel railroad corporations or individuals owning railroads to operate their roads. Also, at the same session, passed an Act to organize and define the powers of the Board of Railroad Commissioners, approved April 15, 1880 (Chapter LIX, Statutes of California). These two Acts are the only laws that have been passed relating to the Railroad Commission, since it has been in existence, as at present constituted.

The last above-named statute relates generally to the organization of the Board, the fixing of salaries, the hearing and determining of complaints, etc.; but little, if any, more power is conferred upon the Commission by this statute than is directly provided for by the Constitution.

We are of the opinion that, in order to make the work of the Commission effective and to enable it to carry out the provisions of the Constitution in such manner as its framers intended, and as the wants

of the people require and demand, further powers should be conferred by the enactment of such laws that would give the Commission power and make it their duty to compel all transportation companies to report annually to said Commission, or more frequently if necessary, giving a statement, in detail, of their organization and affairs in conformity with such rules and regulations as shall be adopted by said Commission.

This Board should have the right to regulate the speed of trains at crossings, and to compel the erection of bells at same, as well as the authority to designate the location of depots, stations, switches, side-tracks, turnouts, and spurs, for the benefit and convenience of shippers.

The Commission should also investigate accidents, and be empowered to require the posting of schedules of freights and fares in depots when changes have been made therein.

We have taken the liberty of quoting from the report of the Board of Railroad Commissioners of the State of Kansas, for the year 1895, the following article, which coincides with our views on this very important question:

That the most satisfactory method of regulating commerce is by means of commissions, is clearly evident from the fact that in thirty-one States that method is now in vogue. Even in most States where there has been a popular demand for the establishment of maximum freight rates, the duty of fixing them has generally been placed with commissions. In Wisconsin and in Iowa, statutory maximum-rates schedules, on account of very unsatisfactory results to the people, were repealed and the commission system substituted. In an endeavor to show the beneficial results of this system of regulation, this board cannot do better than to use language of certain eminent, close students of the transportation question.

Hon. Charles Francis Adams, who is acknowledged as among the foremost in knowledge upon the subject, in answering a letter of inquiry from the Chairman of the Committee of Railroads, of the Massachusetts House of Representatives, said:

"I have to acknowledge the receipt of your favor of the 11th inst., relating to a reorganization of the Board of Railroad Commissioners, and requesting me to give the committee my views generally in relation to that board, the number of its members, their duties, compensation, etc. I do this with the more freedom as, for reasons already known to the committee, the matter is one in which I do not feel that I have any longer a personal interest. My connection with the board is practically over. I do not propose to remain a member of it longer than is absolutely necessary for me to complete the work it now has on hand growing out of the National Convention of Railroad Commissioners, recently held. This cannot occupy more than a year, or eighteen months at most. So far as I am concerned, therefore, no action that the present Legislature can take will more than hasten a result which I am myself very anxious to bring very speedily about. As the gentlemen of the committee are aware, I have been a member of the board ever since its original organization—ten years ago in June next. I am therefore quite fully acquainted with the policy which has been pursued in developing its work, and have very distinct ideas as to the course which should be pursued by those who may compose it in the future.

"I desire also to say that it is an entire mistake to suppose that the duties of the board are diminishing as its work becomes systemized; on the contrary, not only are new duties of detail each year imposed on it by the Legislature, but the questions submitted for its action become more numerous and more important as it acquires in a greater degree the confidence of the public and the corporations. Indeed, never before have so many or so important questions required its attention as during the last year.

"Among the duties of the Commissioners, by far the most difficult and delicate are those which arise out of its supervisory functions over questions between the railroad corporations and the community. Its jurisdiction in this respect is, I believe, peculiar to itself. It is compelled to receive all complaints against the railroads of the State, no matter how they may reach it or to what they may relate, or whether coming from communities or individuals, and to investigate and find some remedy for them. In doing this the Commissioners have no power except to recommend and report. Their only appeal is to publicity. The board is at once prosecuting officer, judge, and jury, but with no sheriff to enforce its process. The method of railroad supervision is peculiar to Massachusetts, but I do not hesitate to say that I believe it is the best and most effective method which has ever been devised; the best for the community and the best for the corporations. It needs, I am confident, but to be developed and understood to be universally adopted. In dealing with railroads, as between railroads and individuals, it is futile to talk about laws, declaratory and penal, and the usual process of the courts.

Except in extraordinary cases, the remedy through this process is too slow and too expensive, while the power and wealth of the corporations, as compared with individuals, is too great. It is altogether different proceeding before this commission. There are no technicalities or forms of procedure. The investigation takes place at once and upon the spot, and a conclusion is reached with no unnecessary delay. That conclusion cannot be enforced in law, and carries weight only in proportion to the reasons adduced in its support, but in practical experience the recommendations of the board have almost never been disregarded. It is true they have sometimes been complied with under protest and with utmost reluctance; but they have almost invariably been complied with. First and last they have covered all sorts of questions, from the putting on of a system of trains to the adoption of some improved appliance of safety—questions which could hardly have been reached in any other way.

"I am very confident that this principle of public supervision might be developed so as to work a complete solution of the railroad problem as it presents itself in this country. To do this, however, it must be developed by men who are not only thoroughly competent, but who enjoy the confidence both of the community and of the corporations. If they have not this, they are powerless; if they have it, there is nothing they cannot bring about, no abuse they cannot correct."

The letter of Mr. Adams, of which the foregoing is a part, was written in 1879. At that time the Massachusetts commission had been in existence ten years. It was practically the first body organized for a supervisory control of railroads. The principle asserted by its organization has been extended, to operate in various forms, in thirty-one States, as has been already stated. It has been adopted by Congress, and by foreign governments, so that the opinion of Mr. Adams, elsewhere expressed in his letter, "that efficient boards of commissioners will in the future be found an essential part of the machinery of our government in connection with the railroad system," has been abundantly sustained.

The commissions in existence have been divided into, practically, two classes: The first, supervisory and advisory, the Massachusetts commission being typical of this class, in which are enumerated the commissions of the States of Massachusetts, Connecticut, Vermont, Maine, New York, Ohio, Rhode Island, Michigan, Wisconsin, Virginia, Kentucky, and Colorado, and of the Territory of Arizona—thirteen in number. The commissions of the other classes are supervisory, advisory, and regulative, and exist in the following States: Illinois, Iowa, Minnesota, Kansas, Missouri, California, Alabama, Georgia, South Carolina, Mississippi, New Hampshire, North Dakota, South Dakota, Oregon, Texas, Nebraska, and North Carolina—seventeen in number. Of this class, that of Illinois was the first, and is typical.

In their second annual report, the Iowa Commissioners said:

"Before this system was enacted, suits at law were the sole remedy for unjust charges upon shippers. These suits, conducted at vast expense in the aggregate, were the source alike of exasperating delays and serious annoyance to both complainants and defendants. Oftener than otherwise, these suits were contested through all grades of our courts, and when at last the end was reached, it was an end of each several case only, others of like character and involving like principles following upon its heels. It might be an interesting, as it certainly would be a startling exhibit, could the aggregate annual expenditure from both public treasury and private purse, on account of these suits, be spread before the public. To the commissioners any and all persons aggrieved apply for redress, no matter how small the amount involved, confident of prompt hearing and without expense to themselves. The commissioners are a court of arbitration, its expenses being borne by assessments upon the railroads. Not one suit at law, arising from alleged unjust or discriminative charges, so far as the commissioners have knowledge, has been prosecuted against any railroad company in Iowa since the commissioner system was adopted. All grievances of this character have been referred to this board, and by it investigated and adjudged, the result in every case, with perhaps a single exception, being accepted as final. Moreover, the commissioners are not aware of an instance where any railroad company has persisted in charges that have been complained of after such rates have been held to be unjust or discriminative by the board. The peculiar significance of this comparison between the present system and those which preceded it as to the points of difference here noted, cannot fail to mark the commissioner law as an important improvement in the regulation of railroads. It seems to vastly simplify the relations between the railroads and the public, and to cheapen the cost of adjusting whatever differences or grievances may from time to time be complained of. It is not claimed to be perfect; there is no general system or regulative control that can be of equal satisfaction and value to all the varied interests existing in so large a State as ours, but that no other method of regulation so fully meets all these diversified and important interests on the common grounds of equity, there can be but little question."

Arthur T. Hadley, in his work on "Railroad Transportation," says:

"The really efficient State regulation is now almost entirely under the somewhat discretionary power of commissioners, whether these powers be wide or limited. A hard-and-fast law cannot be enforced."

Frederick C. Clarke uses the following language:

"A single point remains to be noticed here: That the present commission system, in its generic sense, has been brought about by a growth both gradual and steady, and not

by chance, or, as one author declared, by a 'happy guess.' It has arisen and been developed not by the assumption of power, but by the accumulation of it; not from theory, but from necessity; not because wanted by any particular industrial class or section, but because needed and demanded by the whole social, political, and industrial order of society, and of the entire nation. Nor has it maintained itself without a struggle. The results which it has already attained bespeak for it a brighter future. Who can estimate its possibilities?

"Thus it is necessary to recognize the fact that the work of regulating the transportation industry in the United States is not yet complete. The commission has not yet attained its full possibilities; a wide field exists in which to exercise its potential powers and test its ability and strength. The end and aim of the commission system of regulation, both State and National, and the interdependence of both, are yet to be wrought out, as the present success has been—by gradual changes, tentative measures, steady growth toward uniformity, harmony, and coöperation. Its history, however, proves its permanency, and it is safe to conclude that regulation by commission is a sound policy, requiring expansion to secure perfection."

This board has no apology to offer for the ample quotations made, or for the length of this discussion. The commission system of regulation is now one of the permanent institutions of the land. People should be made acquainted with its workings. Its effectiveness will be proportionate to the degree of confidence which the public and the railroads have in those persons with whom is lodged the duty of its administration. To inspire the confidence necessary to effective regulation, it must be demonstrated that the commissioners are actuated by a desire to do equal justice to all interests, and such a desire can be shown only by words and concordant acts. In the long run it will be found that the interests of the public and of the carriers are not widely divergent. The public interest demands efficient service from carriers, extended as equally as possible, to all persons and places, or, in other words, without discrimination. To secure this, reasonable remuneration will undoubtedly be conceded, for upon it, efficient service depends. On the other hand, carriers are necessarily interested in the welfare of those whom they serve, because upon the prosperity of the latter depends their own success, hence they cannot demand more than is reasonable for their services. There is undoubtedly a common ground upon which the two interests can meet, and all efforts should be directed to that end. That great progress in that direction has been made by the working of the commission system is indisputable, and so long as its trend is that way it should be sustained.

The power to be given to commissions has naturally caused much debate. To this board it appears that the power conferred should be limited to what is actually necessary for proper regulation, and that its degree can be determined only by development. There are differences in the temperament of communities and of railroad managers, and what will answer in one locality may not be equally effective in another, although it should be, for rights are the same everywhere. The knowledge acquired by commissioners, through study and experience, would seem to entitle their opinions to some weight, when the degree of power to be conferred is considered; but of course their opinions should not always control, because the tendency of administrative or executive bodies is generally to accumulate power. However, when sustained by proper argument and facts, it is not too much to say that their opinions should govern.

From the political rostrum, in the press, and in official documents, much has been said in Kansas concerning the want of power of this board. As a matter of fact, it ranks among the most powerful of the State commissions. From statistics compiled in 1891, it appears that of the thirty commissions then existing, only thirteen had power to fix, revise, or alter rates, or make schedules of rates, and of the thirteen the Kansas commission was one. It is true that this board cannot of its own motion change rates, but its power so to do can be invoked by complaint, and it can then determine what are reasonable rates, and its findings are *prima facie* evidence of the reasonableness of the rates prescribed. Its power in this direction has been exercised, and, upon appeal to the Supreme Court of the State, has been sustained. The Kansas board is one of fourteen of the thirty State commissions that have power to change the classification of freight traffic. Its other powers are: To hear complaints under oath; to compel the attendance of either party to a complaint; to subpoena witnesses; to institute, in the name of the State, under certain circumstances, proceedings in the courts; to enforce its decisions and orders in relation to the construction of depots, switches, sidetracks, track connections, etc.; to examine the books, accounts, etc., of railroads; to prescribe the form of reports railroads shall make, and to inquire generally into the management or operation of railroads within the State.

The history of the board shows that it has exercised no small degree of power. During the somewhat less than thirteen years of its existence, 1,194 cases against railroads have been formally disposed of by the board. Of these, 253 were dismissed for want of prosecution and for other reasons; 354 were decided in favor of the railroads; 104 were settled by agreements of parties; and 483 were decided against the railroads. Besides these, a large number of matters at issue between the railroads and individual shippers have been adjusted by the board through correspondence and without the formality of an investigation. Not all complaints made against the railroads are brought to the official attention of the members of the board. Hundreds of differences between them and their patrons are annually settled without the intervention of the board, which, but

for its existence, would probably not be so speedily and inexpensively adjusted as they are now. Of the 483 decisions against the railroads, only 22 have been reported as disobeyed. If this record argues anything, it argues that the authority of the board is somewhat effective of good results, and that it is sufficient to cause generally a compliance with the board's decisions.

#### REDUCTION OF RATES.

The contention of the Southern Pacific Company is and has been at all times, that a reduction of rates would be confiscatory of their property, and that the rates as now established and charged are just and reasonable, and as low as they could be made so that the company would be enabled to pay operating expenses, fixed charges, interest, etc.

The Commissioners did not adopt the resolution making a reduction of 15% and 20%, as proposed, but did, after a long and careful examination and consideration of the question, make, by unanimous vote, a reduction of 8% upon all grain rates as then in force and being charged upon all shipments of grain from the interior to tide-water, over the roads of the Southern Pacific Company.

The company claimed that this reduction would be confiscatory of their property, and that it was unreasonable and unjust; therefore, they commenced an action restraining this Board from enforcing compliance with said order reducing rates.

Since the commencement of said action above referred to, the San Francisco & San Joaquin Valley Railway Company has been constructed, and is now in successful operation from Stockton to Fresno, a distance of 125 miles, carrying both freight and passengers, and affording additional transportation facilities to the farmers and business community generally of that rich and fertile country through which the road is operated. It is paralleled on each side for the whole distance from Stockton to Fresno by railroads owned and operated by the Southern Pacific Company. As soon as the Valley Road was so far completed as to enable it to transport to market the grain crop of the section of country through which it passes, the following schedule of grain rates was submitted to this Commission, and, after consideration, were approved and adopted:

## GRAIN IN CARLOADS OF 24,000 LBS. AND UPWARDS.

SAN FRANCISCO &amp; SAN JOAQUIN VALLEY RAILWAY CO.

(In cents per ton of 2,000 lbs.)

Miles to Stockton..	From—	To Stockton and Warehouses within Stockton City limits to which access is provided for cars of the S. F. & S. J. V. Ry. Co.	To San Francisco, Nevada Dock, Port Costa, Crockett, Benicia, and South Vallejo, including unloading at des- tination.
10.4	Burnham.....	50	100
21.3	Escalon.....	80	130
30.1	Clauston.....	110	160
33.7	Empire.....	110	160
37.0	Hughson.....	125	175
43.2	Elmwood.....	140	190
60.1	Gracey.....	170	220
66.7	Merced.....	170	220
72.3	Turner.....	175	225
75.6	Geneva.....	180	230
78.5	Burchell.....	185	235
81.4	Le Grand.....	185	235
87.1	Marguerite.....	190	240
90.3	Langenour.....	190	240
92.5	Sharon.....	190	240
96.7	Miller.....	200	250
103.3	Lankershim.....	200	250
108.7	Patterson.....	205	255
-----	The "Y" (a temporary switch).....	205	255
117.2	Bullard.....	215	265
124.7	Fresno.....	215	265

The following table, inserted for comparison, will show the grain rates as charged by the Southern Pacific Company in September, 1895, the rates as fixed by the Railroad Commissioners, and those now charged by that company, from and to stations given therein:



GRAIN C. L. MIN. WT. 24,000 LBS.

(In cents per

BETWEEN (Except as noted)	AND								
	San Francisco.			Oakland Wharf.			Port Costa, Nevada Dock.		
	In Effect Sept. 17, 1895.	R. R. Com'r's Grain Tariff No. 1 (9-17-95).	In Effect Nov. 9, 1896.	"C" L—R, 1,000.....	In Effect Sept. 17, 1895	R. R. Com'r's Grain Tariff No. 1 (9-17-95).	In Effect Sept. 17, 1895.	"C" L—R, 1,000.....	In Effect Nov. 9, 1896.
San Francisco .....				50	45	50		50	45
Oakland Wharf .....	50	45	50				50	45	50
Oakland (16th St.) .....	50	40	50	45	40	45	50	45	50
Emery .....	50	45	50	50	45	50	50	45	50
Shell Mound .....	50	45	50	50	45	50	50	45	50
Stock Yards .....	50	45	50	50	45	50	50	45	50
Standard Soap Co.'s Switch .....	50	45	50	50	45	50	50	45	50
West Berkeley .....	50	45	50	50	45	50	50	45	50
Fleming .....	50	45	50	50	45	50	50	45	50
Nobel .....	50	45	50	50	45	50	50	45	50
Stege .....	50	45	50	50	45	50	50	45	50
San Pablo .....	50	45	50	50	45	50	50	45	50
Giant .....	50	45	50	50	45	50	50	45	50
Sobrante .....	50	45	50	50	45	50	50	45	50
Pinole .....	50	45	50	50	45	50	50	45	50
Hercules .....	50	45	50	50	45	50	50	45	50
Rodeo .....	50	45	50	50	45	50	50	45	50
Tormey .....	50	45	50	50	45	50	50	45	50
Selby .....	50	45	50	50	45	50	50	45	50
Vallejo Junction .....	50	45	50	50	45	50	45	40	45
Crocketts .....	50	45	50	50	45	50	25	25	25
Eckley .....	50	45	50	50	45	50	25	25	25
Grangers Siding .....	50	45	50	50	45	50	25	25	25
Port Costa .....	50	45	50	50	45	50			
Nevada Dock .....	50	45	50	50	45	50	25	25	25
Martinez .....	65	60	65	65	60	65	85	80	85
Avon .....	75	70	75	75	70	75	40	35	40
Banta .....	175	160	150	170	155	150	125	115	100
San Joaquin Bridge .....	175	160	150	170	155	150	125	115	100
Lathrop .....	175	160	150	115	170	155	115	125	115
French Camp .....	175	160	150	115	170	155	115	125	115
Stockton .....	175	160	150	115	170	155	115	125	115
Charleston .....	200	185	150	115	200	185	115	150	140
Walthall .....	200	185	150	115	200	185	115	150	140
Holden .....	200	185	150	115	200	185	115	150	140
Peters .....	200	185	150	115	200	185	115	150	140
Waverly .....	245	225	165	160	245	225	165	160	115
Milton .....	250	230	190	180	250	230	190	200	185
Farmington .....	225	205	160	115	225	205	160	115	175
Trigo .....	240	220	170	185	240	220	170	185	190
Cometa .....	250	230	180	150	250	230	180	160	200
Clyde .....	250	230	180	150	250	230	180	160	200
Burnett .....	260	240	195	160	260	240	195	160	210
Oakdale .....	260	240	210	175	260	240	210	175	210
Claribel .....	270	250	210	175	270	250	210	175	220
Waterford .....	280	260	210	185	280	260	210	185	230
Hickman .....	290	265	225	195	290	265	225	195	240
Montpellier .....	295	270	240	215	295	270	240	215	245
Ryer .....	300	275	255	235	300	275	255	235	250
Arundel .....	300	275	270	250	300	275	270	250	230
Amsterdam .....	300	275	270	260	300	275	270	260	230
Yarmouth .....	190	175	190	190	175	190	140	130	140
Vernalis .....	200	185	200	200	185	200	150	140	150
Cowell .....	205	190	205	205	190	205	155	145	155
Westley .....	205	190	205	205	190	205	155	145	155
Emerald .....	280	210	230	230	210	230	180	165	180
Crow's Landing .....	245	225	245	245	225	245	195	180	195
Newman .....	250	230	250	250	230	250	200	185	200
Gustine .....	265	245	265	265	245	265	215	200	215
Linora .....	270	250	270	270	250	270	220	200	220

§ Station discontinued. Rates ticked thus † apply in one direction, i. e., to San Francisco, etc.

5,000 lbs.)

AND

[illegible]

\*From or to Stockton Wharf. Rates ticked thus apply in one direction, i. e., to

GRAIN C. L. MIN. WT. 24,000 LBS.

(In cents per

BETWEEN (Except as noted)	AND											
	San Francisco.				Oakland Wharf.				Port Costa, Nevada Dock.			
	In Effect Sept. 17, 1895.	R. R. Com'rs Grain Tariff No. 1 (9-17-95).	In Effect Nov. 9, 1896.	"C" L—R, 1,000.	In Effect Sept. 17, 1895.	R. R. Com'rs Grain Tariff No. 1 (9-17-95).	In Effect Nov. 9, 1896.	"C" L—R, 1,000.	In Effect Sept. 17, 1895.	R. R. Com'rs Grain Tariff No. 1 (9-17-95).	In Effect Nov. 9, 1896.	
Ingomar	275	255	275	—	275	255	275	—	225	205	225	
Volta	280	260	280	—	280	260	280	—	230	210	230	
Los Banos	285	260	285	—	285	260	285	—	235	215	235	
Agatha	300	275	300	—	300	275	300	—	250	230	250	
Dos Palos	300	275	300	—	300	275	300	—	250	230	250	
Oxalis	300	275	300	—	300	275	300	—	250	230	250	
Firebaugh	310	285	310	—	310	285	310	—	260	240	260	
Mendota	320	295	315	—	320	295	315	—	270	250	265	
White's Bridge	320	295	315	—	320	295	315	—	270	250	265	
Jamesan	330	305	315	—	330	305	315	—	280	260	265	
Collis	340	315	315	—	340	315	315	—	290	265	265	
Rolinda	340	315	315	—	340	315	315	—	290	265	265	
Pratton	350	320	315	—	350	320	315	—	300	275	265	
McMullin	340	315	325	—	340	315	325	—	290	265	275	
Ormus	350	320	330	—	350	320	330	—	300	275	280	
Caruthers	360	330	340	—	360	330	340	—	310	285	290	
Cando	360	330	360	—	360	330	360	—	310	285	310	
Lillis	360	330	360	—	360	330	360	—	310	285	310	
Hardwick	365	335	365	—	365	335	365	—	315	290	315	
Morrano	200	185	170	185	200	185	—	185	150	140	120	
Ripon	210	195	180	150	210	195	—	180	160	145	130	
Salida	230	210	205	160	230	210	—	205	180	165	155	
Modesto	250	230	210	175	250	230	—	210	200	185	160	
Ceres	260	240	225	195	260	240	—	225	210	195	175	
Keyes	260	240	235	210	260	240	—	235	210	195	185	
Turlock	275	255	240	215	275	255	—	240	215	205	190	
Delhi	280	260	255	220	280	260	—	255	220	210	205	
Livingston	280	260	265	285	280	260	—	265	235	230	210	
Arena	285	260	265	245	285	260	—	265	245	235	215	
Atwater	295	270	270	250	295	270	—	270	250	245	225	
Buhach Switch	300	275	270	260	300	275	—	270	260	250	230	
Ashby	300	275	270	270	300	275	—	270	270	250	230	
Merced	300	275	270	275	300	275	—	270	270	250	230	
Lingard	300	275	280	—	300	275	—	280	—	250	230	
Athlone	300	275	285	—	300	275	—	285	—	250	230	
Minturn	310	285	290	—	310	285	—	290	—	260	240	
Califa	320	295	290	—	320	295	—	290	—	270	250	
Berenda	320	295	300	—	320	295	—	300	—	270	250	
Talbot	330	305	300	—	330	305	—	300	—	280	260	
Daulton	330	305	300	—	330	305	—	300	—	280	260	
Herbert	340	315	315	—	340	315	—	315	—	290	265	
Raymond	340	315	315	—	340	315	—	315	—	290	265	
Madera	330	305	300	—	330	305	—	300	—	280	260	
Borden	330	305	305	—	330	305	—	305	—	280	260	
Irrigosa	330	305	305	—	330	305	—	305	—	280	260	
Herndon	340	315	305	—	340	315	—	305	—	290	265	
Muscotel	340	315	315	—	340	315	—	315	—	290	265	
Fresno	350	320	315	—	350	320	—	315	—	300	275	
Barton's Spur	350	320	350	—	350	320	—	350	—	300	275	
Las Palmas	360	330	360	—	360	330	—	360	—	310	285	
Egger's Spur	360	330	360	—	360	330	—	360	—	310	285	
Tarpey's Spur	360	330	360	—	360	330	—	360	—	310	285	
Clovie	360	330	325	—	360	330	—	325	—	310	285	
Gordon	365	335	325	—	365	335	—	325	—	315	290	
Pollasky	365	335	340	—	365	335	—	340	—	315	290	

Rates ticked thus † apply in one direction, i. e., to San Francisco, etc.

**SOUTHERN PACIFIC COMPANY.**

ton of 2,000 lbs.)

[illegible]

Rates ticked thus † apply in one direction, i. e., to San Francisco, etc.

Comparison of the grain schedule of the San Francisco and San Joaquin Valley Railway Company, with the rates adopted and published by the Commission, demonstrates that the new road, in many instances, adopted the official rate, being a reduction of about 8% from the rates charged by the Southern Pacific Company between Stockton, Fresno, and intermediate points prior to the completion of the San Francisco & San Joaquin Valley Road.

In addition to the above noted reduction, the San Francisco & San Joaquin Valley Railway Company abolished the switching charge of 15 cents per ton at Stockton, as charged by the Southern Pacific Company, prior to the operation of the Valley Road.

The Valley Road supplemented these reductions by making arrangements with water transportation companies whereby grain that is shipped from stations on the Valley Road can be transported to Port Costa or San Francisco for 50 cents per ton additional, to either point, being a reduction of 50 cents per ton from Stockton to San Francisco upon rates charged by the Southern Pacific between said points.

Notwithstanding the contention made by the Southern Pacific Company in the case now pending before the United States Circuit Court, and at all times to this Board, that the rates then established and charged were as low as could be made, and pay a reasonable profit, and that the reduction as proposed, if adopted, would entail upon the company losses so great that they could not operate, and that the company would be thrown into insolvency and their railroads and other property placed in the hands of a receiver: Immediately, upon the opening of the Valley Road, and the adoption and publishing of a schedule of grain rates in conformity with the rates established by this Board, the same being a reduction of 8% from former rates, the Southern Pacific Company did reduce the rates from Port Costa and Stockton to all stations on their respective roads that are in competition with the San Francisco & San Joaquin Valley Railway. The rates so made by the Southern Pacific Company are, in many instances, lower than the rates established by this Board, which were by them declared and charged to be unjust, unreasonable, and confiscatory.

The reductions above referred to as made by the Southern Pacific Company will average more than 15% lower than the rates of January 1, 1895, being a greater reduction than the original resolution asking for an average reduction of 15% on the grain rates of 1895.

With a competing road running from Stockton to Fresno, having water connections with Port Costa and San Francisco, the business being divided; a short crop, with less tonnage to move; and with a material reduction in rates, averaging (including the abolishing of the switching charges at Stockton) more than 15% from former rates, the Southern Pacific Company is still being run, presumably, at a profit, and we have not yet heard that it is unable to pay its current expenses, fixed charges, etc., or that from this slight reduction and competition it is likely to become insolvent and pass into the hands of a receiver.

The reduction proposed in grain rates, if accepted by the company and enforced, would have saved to the grain-shippers of the State an amount equal to the expense of maintaining the Railroad Commission since its organization.

## STREET RAILROADS.

Section 22, Article XII of the State Constitution, provides that the Railroad Commission shall have the power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freights by railroad or other transportation companies, etc.

Subdivision One of Section 14 of an Act defining the powers of the Railroad Commission is as follows: "The term 'transportation companies' shall be deemed to mean and include all companies owning and operating railroads (other than street railroads) within the State."

By this Act it would appear that it was the intention of the Legislature to remove from the Commission, so far as they had power, all consideration and control of street railroads.

While the Legislature may grant the Commission additional power to aid it in the discharge of its duties, and to carry out the intention of the Constitution, can it curtail or restrict its powers and jurisdiction, or take from it that control which the Constitution evidently intended it should have?

The important question arises, what are street railroads? Are they confined to the corporate limits of a city or town, carrying passengers only, from one point to another, and confined to the public streets thereof, or do they include all railroads operated upon the streets of a city or town, passing upon the public highways through the country, from one city or town to another, carrying the mail, express matter, passengers, and possibly freight? Are they not transportation companies as contemplated by the Constitution, and should not they also be under the control of the Commission, or should they be subject only to the control of the city and county authorities in whose locality they are in operation?

These are questions of much importance, and should be judicially determined at an early day.

Since the introduction of electricity as a motor power, railroads operated by it have multiplied very rapidly, not only in the cities, but throughout the whole country. They have already taken the place of most of the roads operated by horse-power, and are fast superseding those operated by steam in many localities. Electric power seems to be especially adapted and desirable for local express and passenger traffic. With it roads will be enabled to operate frequent trains of one or two cars with a small expense, thereby giving a fair distribution of the traffic over their lines at hours that will suit the convenience of their patrons and the public generally.

In a few years our State will be traversed in all directions, and our county roads occupied, by electric railroads carrying freight and passengers. Should they be considered transportation companies and subjected to the control of the Railroad Commission?

Complaints have been made to this Commission of the high rates charged by some of the street railroads of the City of San Francisco, and we have been petitioned by the residents of that city to cite the managers of said roads to appear before the Commission and show cause why their rates of passenger fare should not be reduced, and that they be required to report to this Board a full and detailed statement of the condition of their organization, their capital stock, indebtedness

(funded or otherwise), cost of construction, maintenance, and operating, gross and net receipts, etc.

In pursuance of said petition, the Commission duly made an order citing the manager of the Market Street Railway Company to appear before them with the necessary books, papers, etc., as required by said order. In answer to said citation, said manager, accompanied by his attorney, appeared before this Commission and refused to comply with said order, on the ground that this Commission had no jurisdiction over street railroads.

The Legislature, by the passage of the Act hereinbefore referred to, in defining the term "transportation companies" obviously intended to remove from the control of this Commission the right to regulate fares upon street railroads, seemingly in conflict with the true intent of the Constitution.

By reason of the apparent conflict of said Act with our Constitution, this Board has not attempted to exercise control over street railroads.

The legal status of the Commission in this respect not having been satisfactorily determined, and its powers upon the subject being in doubt, the question was referred to the Attorney-General of this State for his opinion.

The petition on file and the opinions asked for by this Commission from the Attorney-General in said matter are as follows:

#### PETITION.

WHEREAS, The present management of the Market Street Railway Company have determined, in utter disregard of the safety, convenience, and rights of the traveling public of this city and county, to so conduct their system as to wrench from the people all that the traffic will bear; and have, by their manner of restriction, so surrounded the transfer system of their company with inconveniences and annoyances as to render the same of practically little convenience; and,

WHEREAS, Said company had, by the abandonment of parts of its franchise and its refusal to run cars on many parts of its lines at times, suitable to the convenience of the public, greatly injured and decreased the value of realty in this city and county; and,

WHEREAS, The amount of revenue received from said system is much more than sufficient to furnish a just and reasonable compensation to the owners thereof for the service rendered; and,

WHEREAS, Section 22 of Article XII of the Constitution of this State, defining the powers of Railroad Commissioners, provides "said Commissioners shall have the power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad or other transportation companies, and publish the same from time to time with such changes as they may make"; and,

WHEREAS, No authority exists in the Legislature to limit or take from the powers conferred upon said Commissioners by the organic law of the State; therefore, be it

*Resolved*, That we demand of said Railroad Commissioners that they proceed at once to establish rates of charges for the transportation of passengers on the various street railroads of the City and County of San Francisco, and that a committee of three members of this club be appointed by the Chair for the purpose of presenting these resolutions to said Board of Railroad Commissioners, and taking such action in the matter as they may deem expedient and proper; and further be it

*Resolved*, That in the opinion of this club the present rate of such charges could reasonably be reduced to 3 cents per trip, without transfers.

#### OPINION OF ATTORNEY-GENERAL.

SAN FRANCISCO, June 25, 1896.

*Honorable Board of Railroad Commissioners, Chronicle Building, San Francisco, Cal.:*

GENTLEMEN: I am in receipt of your communication relative to your right to regulate the fares charged for the transportation of passengers by street railways within cities and towns, or between two towns, in this State. In reply, I desire to state:

In view of the resolution adopted by your Board at your last meeting, requesting me to take such steps as may be necessary to test your right to regulate the fares charged by street railways for the transportation of passengers, it becomes unnecessary for me to answer your former letter requesting an opinion upon that subject. I will, however,

comply with the request contained in your resolution whenever you lay the proper legal foundation for a test case. This, in my opinion, you have not as yet done, and I will, if you so desire, prepare such papers to be served by you as I deem essential for that purpose.

Respectfully,

(Signed:) W. F. FITZGERALD,  
Attorney-General.

OPINION OF ATTORNEY-GENERAL.

SAN FRANCISCO, October 6, 1896.

*Honorable Board of Railroad Commissioners of the State of California, Chronicle Building, San Francisco, Cal.:*

GENTLEMEN: I am in receipt of your favor of the 15th ult., in which you state that your Board determined to proceed with the investigation of the affairs of the Market Street Railway Company, a corporation organized and existing under the laws of this State, owning and operating various lines of street railways over and upon the streets of the City and County of San Francisco, upon which passengers are transported, and fares for such transportation collected, with the view to the fixing, by your Board, of rates of charges to be collected by said Market Street Railway Company, for such services; that accordingly such investigation was set for hearing on the 7th ult.; that prior to the date of such hearing your Board issued its subpoena, the form of which was prepared by me at your request, directed to Joseph L. Willcutt, Secretary of said Market Street Railway Company, requiring him to appear as a witness before your Board for the time fixed for the hearing of said matter, and to produce and bring with him at said time, to be used on said investigation, certain books and papers of said Market Street Railway Company, then in his possession as the Secretary thereof, containing matter and evidence material on said investigation; that such subpoena was regularly served upon Joseph L. Willcutt prior to the time set for such hearing, and return thereof duly made; that your Board met on the 7th ult., at its office in this city, and proceeded to take up said investigation; that the said Joseph L. Willcutt at that time appeared before your Board, with his attorney, and denied the authority of your Board to enter upon such investigation, or to subpoena him as such witness, or require him to produce the books and papers of the company, and refused to appear as such witness and to produce said books or papers, on the ground that your Board "had no authority to enter into any investigation of the affairs of said company, or to fix rates of fares to be charged by it."

After stating these facts, you ask for my opinion upon the following questions:

"First—Has the Commission the power, and is it its duty, to fix the rates to be charged by said Market Street Railway Company, for the transportation of passengers over the various lines of street railways operated by said Market Street Railway Company, upon and over the streets of the City and County of San Francisco?"

"Second—Has this Commission power to punish for contempt of its power in a case such as that of Joseph L. Willcutt, hereinbefore set forth, and if so, what proceedings will it be necessary to take in that regard?"

First—In reply to your first question, I desire to call your attention to an opinion rendered by me to your Board on June 25, 1896, in which I said:

"In view of the resolution adopted by your Board at your last meeting, requesting me to take such steps as may be necessary to test your right to regulate the fares charged by street railways for the transportation of passengers, it becomes unnecessary for me to answer your former letter requesting an opinion upon that subject. I will, however, comply with the request contained in your resolution whenever you lay the proper legal foundation for a test case. This, in my opinion, you have not as yet done; and I will, if you so desire, prepare such papers to be served by you as I deem essential for that purpose."

I also desire to call your attention to the fact that on July 14, 1896, you wrote to me requesting that I prepare for service by you a blank form of subpoena directed against the Market Street Railway Company, requiring it to produce such of its books, records, and papers as would show certain matters specified in that letter, and that thereafter I prepared, and on July 25, 1896, transmitted to you, "a blank form of subpoena to be served by you upon such officer or officers of the Market Street Railway Company" as you might desire to examine, "requiring them to produce such books, records, and papers" as would show the matter specified in your favor of July 14th. I also instructed you, in the letter transmitting the blank form of subpoena, that before serving, it was essential that your Board "make an order directing the Secretary of the Board to issue the same and cause it to be served."

I assume that you have so far proceeded in accordance with these instructions, and that the proceedings referred to in your letter of the 15th ult. were had in conformity therewith, and for the purpose of laying the proper legal foundation for a test case.

If I am correct in this assumption, I am at a loss to understand why, at this stage of the proceedings, you should request an opinion from me upon a question which you have already determined to submit to the court, and for the submission of which you have in accordance with my advice apparently taken every necessary step.

Wherefore, an opinion from me upon this subject at this time and under these circumstances, could serve no useful purpose whatever.



If you will furnish me with certified copies of the minutes of your Board, showing all steps that have been taken by you concerning this matter (and particularly the order of your Board authorizing your Secretary to issue the subpoena and cause it to be served), together with certified copies of the subpoena prepared from the form furnished you by me, and served by you upon the Secretary of the Market Street Railway Company, and of the return made upon such subpoena, I will proceed at once to prepare a petition for a writ of mandate for the purpose of bringing the question of your right to regulate the fares of this company to an early determination. This, in my opinion, is the proper way to proceed.

*Second*—I am of the opinion that, under the provisions of Section 22 of Article XII of the Constitution, your Board has the power and authority to punish for contempt of its orders and processes "in the same manner and to the same extent as courts of record"; but I do not think that it would be advisable for you to proceed for contempt in any case until your authority to regulate the fares of street railways has been judicially determined by the courts.

Respectfully,

(Signed :) W. F. FITZGERALD,  
Attorney-General.

Since the last published report of the Railroad Commission, there has been constructed in California 432.95 miles of line, making a total of 5,061.20 miles now in operation. Reference to the reports of the various companies will show their respective increase of mileage.

Within the past year the number of persons killed or injured in railway accidents reported to this Commission was 499; of this number, 367 were injured without death resulting, and 132 were killed.

Since the organization of the Commission, a great many complaints of excessive charges made by shippers against transportation companies throughout the State have been made. These complaints came in the form of letters, or were verbally made to the Commissioners, and have, in many instances, been satisfactorily adjusted, through the agency of the Board, by correspondence with the various companies, and without the formality of a hearing.

All of which is respectfully submitted.

H. M. LA RUE,  
JAMES I. STANTON,  
W. R. CLARK,  
Railroad Commissioners.

SAMUEL NEWMAN, Secretary.

## TRANSPORTATION OF PERISHABLE PRODUCTS.

On February 13, 1895, the Assembly of California adopted the following resolution:

WHEREAS, The fruit, vegetable, and viticultural industry of the State of California is of such great magnitude as to constitute one of the principal sources of wealth to the people of the State of California; and,

WHEREAS, It is well known that the cost of transporting such products from the points of shipment in this State to the markets of Eastern and other States is generally in excess of the actual profitable cost of transportation; and,

WHEREAS, It is commonly understood that a very large proportion of the charges incident to transportation are occasioned by the use of patented devices; therefore, be it

Resolved, That the Board of Railroad Commissioners of the State of California be requested to report to this Assembly, within ten days from this date, a detailed statement of the rates charged for the transportation of the products of the State of California to the Eastern and other markets; and that they advise this Assembly as to what devices are used, and the additional cost of transportation occasioned by the uses of such devices for the preservation of fruit; and to report whether or not it is not possible to provide for the use of equally satisfactory devices or plans at greatly reduced rates; and that they give the Assembly such other information as may enable it to initiate such legislation as will relieve the industries of this State in the greatest degree possible; and that the Chief Clerk of this House be instructed to transmit a copy of this resolution to the Board of Railroad Commissioners forthwith.

Immediately upon receipt of this resolution by the Board, the Chairman called the Commission together in special meeting, February 18th and 19th. A number of prominent fruit-growers, shippers, and transportation officials were invited to be present at said meetings, and were asked to give their opinions in reference to the question of transportation of green fruits and vegetables, also as to the various devices and methods now in use for the purpose of preserving and transporting such products to the Eastern market.

A communication was also addressed to Mr. Wm. H. Mills by the President of this Board, inclosing the above resolution, and asking him to obtain from the Railroad Company a detailed statement as to the cost of transportation in ventilator and refrigerator cars, also as to the time usually consumed between this Coast and the Eastern market, and for such other information as could be obtained as to the various devices used for the preservation of fruits, etc., in transit.

In reply to this request, Mr. J. C. Stubbs, of the Southern Pacific Company, addressed a communication to Mr. Mills, giving him in detail a statement of rates charged, the kinds of cars used, and the various devices that have been experimented with and are now in use, said communication being attached to and made a part of this report.

Mr. Cottier, of the American Ventilating Company, also appeared before the Board, and explained his method of ventilation, for which he claims much merit. Attached you will find his statement.

Mr. William Graves also appeared with a sample of prepared tulle for insulating cars, and fully explained the benefits to be derived from the use of his invention. His communication is also made a part of this report.

Mr. E. F. Adams, ex-Manager, and Mr. B. F. Walton, President of the California Fruit Exchange, also appeared before the Board. Mr. Adams said that the transportation charges were something over the actual cost of train service, though not enough to pay any great amount upon the capital invested. He explained that that class of freight had to be carried at a very small profit. The rates were less than allowed by the Interstate Commerce Commission, and he was of the opinion that if some device could be used whereby the cost of hauling the now heavy refrigerating cars could be avoided, and lighter cars substituted, and the time of five days' service be established, the expense would be so reduced as to afford some profit to fruit-growers and shippers. A reduction of \$125 to \$150 per car would necessarily follow, that is to say, from \$375 to \$250 per car, leaving a margin for the fruit-grower.

Mr. Adams presented a resolution, adopted at the recent Convention of Fruit Exchanges, which is made a part of this report.

This Board is informed that there are various kinds of devices in the East which have never been brought to this coast, and of which we have no knowledge, and cannot get the desired information in the short space of time allotted to us.

The foregoing are the only devices which have been presented for our consideration. If we had further time and means with which to make inquiries, it might be possible to give more definite information on the subject.

The chief objection seems to be the increased weight of the car and of the slow service performed by the transportation companies.

We cannot suggest or recommend the adoption of any device until it has been tried and its efficiency fully demonstrated.

The Railroad Company, so far, has not adopted any particular device, for the reason that a practical demonstration has not been made, to its satisfaction, of the efficiency of any method which would lessen the weight of the cars and diminish the cost of transportation.

The Railroad Company signifies its willingness to assist any person who could improve upon the present cumbersome and expensive mode of shipping fruit in refrigerator cars, and has expended considerable money in experimenting, and will continue to do so. It disclaims owning any interest in these refrigerator cars, and is anxious to discontinue their use, on account of their great weight and expense of hauling, as soon as something better can be obtained.

If the Legislature would adopt some means, either by offering a prize or a premium for competition, for the purpose of securing and obtaining some device, or some means of transportation of fruit which would practically overcome these objections, and then oblige the Railroad Company to own the cars and operate them, it would go far toward adjusting the difficulty by greatly reducing the cost of transportation below the present rates, and afford shippers the necessary relief, and allow them a fair compensation for their products.

It is the intention of this Commission to investigate this subject further during its term of office.

Realizing the great importance of this question, we think that this investigation and inquiry should be extended, and that the Legislature should provide means to enable this Commission, or some other, to make these inquiries, investigations, and actual tests, and report to the Gov-

error from time to time, and have the same incorporated in the report of the Commission when published.

All of which is respectfully submitted.

H. M. LA RUE,  
JAS. I. STANTON,  
W. R. CLARK,  
Railroad Commissioners.

SAN FRANCISCO, CAL., February 16, 1895.

MR. W. H. MILLS, *Land Agent*:

DEAR SIR: Referring to the letter addressed to you by Commissioner H. M. La Rue, under date of February 14th, in which certain information concerning rates on green fruits to the East was asked for, I beg leave to submit the following:

The through rates for green fruits, in carloads, minimum weight per car 20,000 pounds for ventilated cars, and 24,000 pounds for refrigerator cars, are:

<i>To Chicago.</i>	
In ventilator cars.....	\$1 25 per 100 lbs.
In refrigerator cars.....	1 25 per 100 lbs.

<i>To New York City (Jersey City Delivery).</i>	
In ventilator cars.....	\$1 50 per 100 lbs.
In refrigerator cars.....	1 50 per 100 lbs.

The foregoing is for freight-train service. The time from Sacramento to Chicago for ventilated cars, 5 days; for refrigerator cars, 8 days.

By passenger-train the rates to Chicago are, for ventilators, \$2 25 per 100 pounds; for refrigerator cars, \$2 50 per 100 pounds.

The freight-train time to Chicago, which above is placed at 5 days for ventilated cars, is what we undertook to make during the season of 1894, but were interrupted by the strike. The time made ranged, for both ventilators and refrigerators, from 8 to 12 days. We believe, however, that a five days' schedule for ventilator cars can be accomplished. The 8 days' time for refrigerators is all that is necessary and the best that can be done with such heavy cars, required to stop en route for icing. The attempted discrimination in the matter of time in favor of ventilators is founded upon these considerations: First, the ratio of dead weight to paying freight carried by the company when ventilator cars are used, is, upon the average, as 28,000 pounds, average weight of car, is to 20,000 pounds, minimum weight of load. For refrigerator cars the average is 46,546 pounds, average weight of car and ice, to 24,000 pounds, minimum weight of load. The average of dead weight of ventilator cars is from 23,500 pounds to 38,400 pounds. The range of weight of refrigerator cars, with their loads of ice, is from 40,000 pounds to 50,000 pounds.

With the refrigeration, the railroad companies have nothing whatever to do. Shippers contract with the owners or lessees of the refrigerator cars for this service, and the standard charge, as I am informed,

for this service, which includes cost of ice, has been as follows, for freight-train service:

From—	To Chicago.	To New York.
Sacramento and points east .....	\$125 00 per car.	\$175 00 per car.
Points on California Pacific and Western Division ..	140 00 per car.	190 00 per car.
Fresno and south, and Marysville and north .....	150 00 per car.	200 00 per car.

For refrigeration by passenger train an additional charge of \$25 per car is made.

The refrigerator cars are owned by private parties, and are used by the Southern Pacific Company under contract with owners. They are run empty, west bound. On this account and on account of their excessive weight, the Southern Pacific Company pays no rental for their use and charges the refrigerator car companies 25% in addition to its share of the through weight in consideration of handling the excess weight. This amounts to 11½ cents per 100 pounds for Chicago destination.

The railroad companies favor the ventilator cars. The reason for this is manifest. The Southern Pacific Company from the beginning endeavored to find the car best suited for the handling of this traffic, and after many expensive experiments adopted its standard ventilator car. It has given the amplest opportunity for experiment with every device or invention that has promised to improve the facilities. For example, it ran over its line, and induced its connections to run, the car known as the Palmer car, which proved to be a failure. It also contributed to the expense of preparing and running what is known as the Allegretti car, which proved a failure. Until within a few years, refrigeration with ice was supposed to be unsuitable to the preservation of fruit. When the proposition to try refrigeration with ice was first made, the consensus of opinion among fruit-growers and fruit-shippers was that it would be a failure. The owner of the refrigerator patent contended against this view, and the Southern Pacific offered him the free use of its line to demonstrate his theory, the result of which has been that the transportation of fruit in cars refrigerated with ice has become quite general. The company has not undertaken the work and responsibility of refrigeration, because it is a business peculiar to itself, requiring expert knowledge and special care, which the organization of railroad companies in nowise fits them to perform satisfactorily. It does not own refrigerator cars, for the reason that it has believed, in the first place, that the kind of car and method of refrigeration are still matters of experiment, both as to whether ice is the best and cheapest method of preserving fruit and as to the kind of refrigerator car, even if ice be proven to be the best method of refrigeration, in respect to the kind of insulation and the weight of the car. Few, if any, of the refrigerator cars now in use have been built with special reference to the fruit business of California, and none of them have fairly considered the ratio of dead weight to be hauled to the paying load. In the judgment of the officers of the company, the best car is yet to be built, and when constructed we have no doubt that it will greatly reduce the cost of refrigeration both to the shipper and to the railroad company, the latter by a large reduction in the present enormous weight of the car.

The Railroad Company has experimented on its own account with refrigeration by building a car designed to accomplish the necessary equable temperature without the use of ice, but by evaporation. This was unsatisfactory. It also furnished a car and ran it to New Orleans and back with its load and attendants to test the Perkins patent; but we do not by any means consider the results of that experiment to amount to a demonstration. It has also furnished opportunities for experiment with carbolic acid gas, and stands ready to assist, under proper conditions, in any and every experiment having for its object the improvement and cheapening of methods of transportation of deciduous fruits of the State of California.

At present we believe that for the hardy fruits, with a five days' schedule to Chicago, ventilator cars offer the very cheapest and best method of transportation, and our best endeavors will be put forth to make the five days' schedule. For delicate and fully ripe fruits, unquestionably the experience of the past proves that refrigeration by ice is the best method so far determined, but the latter is very expensive, both to the carrier and to the shipper. In our judgment the charges for refrigeration have been too great, affording the refrigerator companies a profit entirely out of proportion to the investment and service, but this is simply an opinion, and possibly does not take into full consideration the interests of the refrigerator car companies.

If refrigeration by compressed air on lines similar to those of the Perkins patent is demonstrated to be perfect, next to the use of ventilator cars that undoubtedly promises the cheapest method of handling these fruits, providing the cars used can be reduced in weight so as not to exceed a maximum of 30,000 pounds, which, it is believed, is possible. The experiment made in the run to New Orleans and back was with one of the heaviest and most perfectly insulated refrigerator cars. The use of the compressed-air scheme in order to effect the utmost economy would require shipments to be made in trainloads, and it would be necessary for all the railroads hauling the cars, or trains, to equip their engines so as to furnish the compressed air. This could probably be arranged for on the main lines between Sacramento and Chicago, but for points in outlying districts, off the line, and for shipments in less than trainloads, there would be many embarrassments, if it would not prove to be impracticable. The experiment of a single car or a single train would not be final or conclusive.

The importance of the fruit industry to the State of California is incalculable, and the difficulty of finding a market for the fresh fruit will increase in almost arithmetical ratio to the increase in the product. The railroad companies consider their charges for the carriage of the fruit have about reached the minimum—that is to say, their charges are as low as they can reasonably afford to make them, and the speed of the trains, taking as an example the five days' schedule for ventilator cars, which it is proposed to undertake this year, is as high as can be obtained with safety.

The importance of this is so great that it seems to me the whole State of California is interested in it, and that the fruit-growers may reasonably ask at the hands of the Legislature an appropriation for the purpose of experimenting and determining the best method of preservation of fruit in transit, or at least that a liberal prize be offered to the inventor of a scheme which should ultimately, and only after a thorough

and complete demonstration, prove to be the best—that best, however, to show a very great improvement in the preserving qualities of the car and the economy to the shipper and carrier by its use.

Yours very truly,

(Signed:) J. C. STUBBS.

(Copy.)

SAN FRANCISCO, February 19, 1895.

*Chairman Railroad Commission of California:*

DEAR SIR: In accordance with your invitation to present to you my method of preserving fruits and California products in transit to the Eastern markets, I beg to say that the most vital thing in connection with a car to successfully transport perishable products in hot weather, as well as cold or freezing weather, is a properly insulated car.

This car must be strong structurally, durable, free from odor, and of a perfect non-heat and non-cold conducting material—a material which can be reduced to a minimum weight, and even below the weight of a ventilator car. It is a fact that empty refrigerator cars (as now used) weigh 40,000 pounds to 46,000 pounds; 10,000 pounds to 12,000 pounds of this weight is used for insulating material. Because of this defective insulation it is necessary to apply different articles to overcome these defects.

These different agencies consist of ventilation, ice, compressed air, carbonic acid gas, and several other less valuable agencies, and their cost is in proportion to the character of insulation used in the construction of the car. Neither of these agencies can be successfully used alone, while a properly insulated car can be built which will greatly reduce the quantity of ice required; while the question of compressed air or gas can only be decided upon further experiments.

There are valuable scientific works treating upon insulating materials, giving in detail the value of every known article in commercial use. These reports will enable one to decide as to the relative merit of each article, while their practical application to the construction of a car has already been demonstrated to you. In this connection we wish to submit a drawing of a car wherein the application of *Patent Prepared Tule* is made.

The total weight of a refrigerator car so prepared will be from 6 to 7 tons less than any refrigerator car now in use. The merits of tule are successfully and practically known, and its application to a car in comparison to the materials now used is as follows: The lightest material now used weighs  $9\frac{1}{2}$  pounds to the square foot,  $3\frac{1}{2}$  inches thick, while tule weighs but 12 ounces to the same thickness. There being some 1,400 square feet in a car to insulate, this material would weigh but 700 pounds above the weight of a freight car, and by reference to the Union Ice Company, who made a practical test of the material used by them. A box was built  $5\frac{1}{2}$  inches thick, another box of the same size was built with  $1\frac{1}{2}$  inches thick of tule as prepared by us. Forty pounds of ice was placed in each box, and exposed to the sun for seven consecutive days. When opened, it was found that the tule-prepared box contained 21 pounds of ice, while in the box prepared by them the ice had entirely melted.

In conclusion, we will say that the application of tulle to a car as made by us is the only practical method of successfully transporting perishable products to Eastern points of shipment.

Very truly yours,

(Signed:) WILLIAM GRAVES.

(Copy.)

SAN FRANCISCO, CAL., February 19, 1895.

*Honorable State Board of Railroad Commissioners:*

GENTLEMEN: In compliance with your request for information concerning the transportation of fruit, we beg to state that we can make such alterations in ordinary box cars, increasing their weight by our proposed application less than 100 pounds additional, and not interfere in any way with the carrying capacity or room in the car. In fact, in any car in which our equipment may be placed, the additional weight of the car will not exceed in any case 100 pounds. By our late plan of ventilation, we have successfully carried fruit and vegetables from Los Angeles to Wichita, Kansas, and also oranges from Los Angeles to Chicago, in our cars without the loss in either case of any of the contents, being found upon delivery of goods mentioned to be in the most perfect condition, free from dust or dirt of any description.

This has been accomplished without the aid of ice, or any other refrigerating or chemical agent. We have letters and affidavits in corroboration of the above statement from C. W. Kouns, Car Service Agent of the Atchison, Topeka & Santa Fe Railway Company at Topeka, Kansas; also from K. H. Wade, General Manager of the Southern California Railway Company, Santa Fe System; also from the Black Diamond Coal Company, and many others who have tested thoroughly, during the last four years, cars ventilated by our process, all of which statements may be verified at your request. The actual expense of making the alteration for carrying fruit and vegetables or other perishable articles will not exceed \$80.

We herewith submit to you some further explanations of our plan and system, printed in our circular.

Yours, very respectfully,

AMERICAN VENTILATING COMPANY,

Per W. T. COTTIER,

General Superintendent American Ventilating Company.

Mr. Adams also laid before the Board a resolution passed by a late Convention of Fruit Exchanges, representing a very large number of growers, expressing their opinion that the railroad companies should assume this service, and thus eliminate the profit now paid to unnecessary third parties. The following is the resolution:

*Resolved*, That in the judgment of this convention the railroads should assume the duty of supplying whatever form of refrigerator cars may be found best, without the intervention of refrigerator companies, thereby making possible at least a reduction of charges equal to the present profits of the refrigerator companies.



Subsequent to the meeting referred to, and the data obtained thereat, the Commissioners examined a refrigerator car of the patent now in general use, with the additional improvement made by Mr. Charles S. Hardy, of San Diego, Cal. Said improvement seems to possess much merit. Mr. Hardy having furnished cut of same, we insert it with his letter of explanation.

SAN DIEGO, October 6, 1896.

HON. H. M. LA RUE, *Chairman Board of Railroad Commissioners:*

DEAR SIR: Find inclosed cut of car, showing my folding ice-tanks, both in an opened and closed position, and if this will serve your purpose, in the publication of your biennial report, I will forward you the cut itself. You asked me to give you all the points regarding this car. There is nothing to offer, so far as refrigeration is concerned, as I have simply embodied the old method, used by all those skilled in the art. The superiority of my device is that the box is composed of hinged sections, arranged and adapted to fold out of the way of the ordinary cargo when not in use as a refrigerator. The ventilator is to be applied when the tanks are thus folded, which allows shippers to load car to its fullest capacity. This point is beneficial to transportation companies, and in some cases is very beneficial to shippers, as, in the shipment of celery and bulky vegetables, shippers are unable to even get the minimum into the ordinary refrigerator cars, owing to the fact that the stationary box takes up about 25% of the car's space. Again, it enables the cars to be returned with a full load of ordinary merchandise.

I believe you are aware that the railroad companies claim that the refrigerator service is very expensive to operate, owing to the fact that cars cannot be used to any advantage except with refrigerated cargoes; hence, you will see that my invention was designed to obviate this waste.

For your information, will say that the St. Louis & San Francisco Railroad Company has adopted my folding-box system, and is now building a number of cars at St. Louis, and equipping them with my folding-tank and ventilating devices, and that the Santa Fe has again taken up the matter and is now remodeling another series of cars.

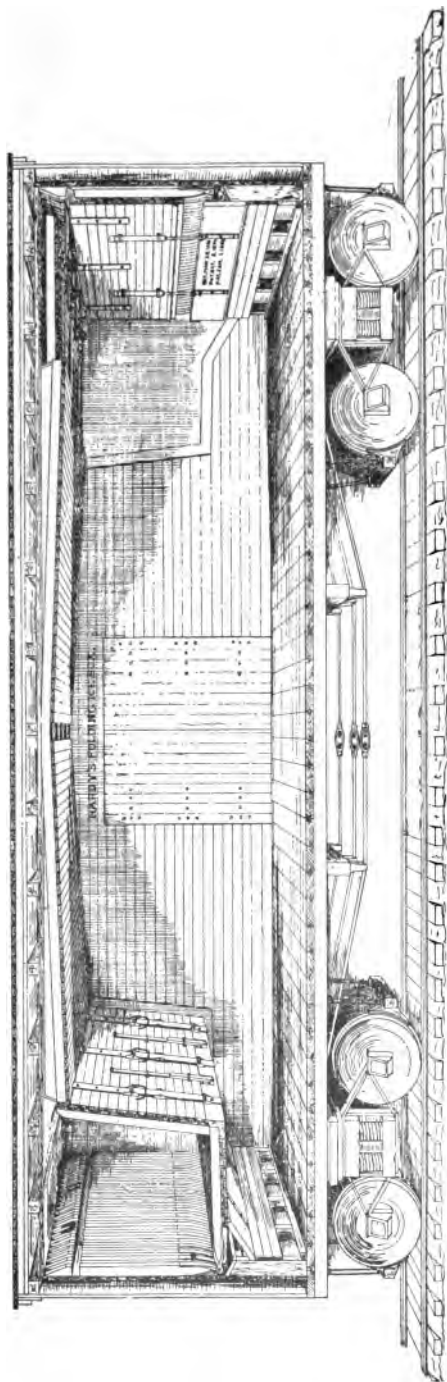
Regarding the temperature record, this was taken and reported by Manager Davis of the Santa Fe Fruit and Refrigerator Line, some three years ago. You will remember this in the correspondence I showed you, when here in San Diego, and also the data pertaining to the shipment of 558 boxes of oranges, which, as, you will remember, was forwarded from San Diego to Cleveland, Ohio, and arrived in perfect condition.

Trusting this will answer your purpose, and awaiting your commands, I remain,

Yours truly,

CHAS. S. HARDY.

HARDY'S PATENT FOLDING ICE-TANKS.



Temperature Record under Refrigeration : 38° floor, 40° roof.  
Capacity Record under Ventilation : 558 boxes Oranges ; weight, 44,640 pounds.



## APPENDIX.

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Appended to this report will be found—	
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2. Reports of railroad companies (doing business in the State of California) of their transactions for the fiscal year ending June 30, 1896 .....	89-336
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# POWERS AND DUTIES OF RAILROAD COMMISSIONERS.

[From the Constitution of the State of California.]

## ARTICLE XII.

### CORPORATIONS.

SECTION 17. All railroad, canal, and other transportation companies are declared to be common carriers and subject to legislative control. Any association or corporation, organized for the purpose under the laws of this State, shall have the right to connect at the State line with railroads of other States. Every railroad company shall have the right with its road to intersect, connect with, or cross any other railroad, and shall receive and transport each the other's passengers, tonnage, and cars without delay or discrimination.

SEC. 18. No President, Director, officer, agent, or employé of any railroad or canal company shall be interested, directly or indirectly, in the furnishing of material or supplies to such company, nor in the business of transportation as a common carrier of freight or passengers over the works owned, leased, controlled, or worked by such company, except such interest in the business of transportation as lawfully flows from the ownership of stock therein.

SEC. 19. No railroad or other transportation company shall grant free passes, or passes or tickets at a discount, to any person holding any office of honor, trust, or profit in this State; and the acceptance of any such pass or ticket by a member of the Legislature, or any public officer, other than Railroad Commissioner, shall work a forfeiture of his office.

SEC. 20. No railroad company, or other common carrier, shall combine, or make any contract with the owners of any vessel that leaves port, or makes port in this State, or with any common carrier, by which combination or contract the earnings of one doing the carrying are to be shared by the other not doing the carrying. And whenever a railroad corporation shall, for the purpose of competing with any other common carrier, lower its rates for transportation of passengers or freight from one point to another, such reduced rates shall not be again raised or increased from such standard without the consent of the governmental authority in which shall be vested the power to regulate fares and freights.

SEC. 21. No discrimination in charges, or facilities for transportation, shall be made by any railroad or other transportation company between places or persons, or in the facilities for the transportation of the same classes of freight or passengers within this State, or coming from or going to any other State. Persons and property transported over any railroad, or by any other transportation company or individual, shall be delivered at any station, landing, or port, at charges not exceeding the charges for the transportation of persons and property of the same class, in the same direction, to any more distant station, port, or landing. Excursion and commutation tickets may be issued at special rates.

SEC. 22. The State shall be divided into three districts as nearly equal in population as practicable, in each of which one Railroad Commissioner shall be elected by the qualified electors thereof, at the regular gubernatorial elections, whose salary shall be fixed by law, and whose term of office shall be four years, commencing on the first Monday after the first day of January next succeeding their election. Said Commissioners shall be qualified electors of this State and of the district from which they are elected, and shall not be interested in any railroad corporation, or other transportation company, as stockholder, creditor, agent, attorney, or employé; and the act of a majority of said Commissioners shall be deemed the act of said Commission. Said Commissioners shall have the power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad or other transportation companies, and publish the same from time to time, with such changes as they may make; to examine the books, records, and papers of all railroad and other transportation companies; and for this purpose they shall have power to issue subpoenas and all other necessary process; to hear and determine complaints against railroad and other transportation companies, to send for persons and papers, to administer oaths, take testimony, and punish for contempt of their orders and processes, in the same manner and to the same extent as courts of record, and enforce their decisions and correct abuses through the medium of the courts. Said Commissioners shall prescribe a uniform system of accounts to be kept by all such corporations and companies. Any railroad corporation or transportation company which shall fail or refuse to conform to such rates as shall be established by such Commissioners, or shall charge rates in excess thereof, or shall fail to keep their accounts in accordance with the system prescribed by the Commission, shall be fined not exceeding twenty thousand dollars for each offense; and every officer, agent, or employé of any such corporation or company, who shall demand or receive rates in excess thereof, or who shall in any manner violate the provisions of this section, shall be fined not exceeding five thousand dollars, or be imprisoned in the county jail not exceeding one year. In all controversies, civil or criminal, the rates of fares and freights established by said Commission shall be deemed conclusively just and reasonable, and in any action against such corporation or company, for damages sustained by charging excessive rates, the plaintiff, in addition to the actual damage, may, in the discretion of the Judge or jury, recover exemplary damages. Said Commission shall report to the Governor, annually, their proceedings, and such other facts as may be deemed important. Nothing in this section shall prevent individuals from maintaining actions against any of such companies. The Legislature may, in addition to any penalties herein prescribed, enforce this article by forfeiture of charter or otherwise, and may confer such further powers on the Commissioners as shall be necessary to enable them to perform the duties enjoined on them in this and the foregoing section. The Legislature shall have power, by a two-thirds vote of all the members elected to each house, to remove any one or more of said Commissioners from office, for dereliction of duty, or corruption, or incompetency; and whenever, from any cause, a vacancy in office shall occur in said Commission, the Governor shall fill the same by the appointment of a qualified person thereto, who shall hold office for the residue of the unexpired term, and until his successor shall have been elected and qualified.

[From Statutes of California, 1880.]

## CHAPTER LVII.

### AN ACT TO COMPEL RAILROAD CORPORATIONS, OR INDIVIDUALS OWNING RAILROADS, TO OPERATE THEIR ROADS.

[Approved April 15, 1880.]

*The People of the State of California, represented in Senate and Assembly, do enact as follows:*

SECTION 1. From and after the completion of any railroad, or the completion of such portion thereof capable of being operated, it shall be the duty of the corporation or individual owning the same, to operate it; and upon the failure of said corporation or individual so owning said road to keep the same, or any part thereof, in full operation for the period of six months, its or his right to operate the same in whole or in part, as the case may be, shall be forfeited, and the lands occupied for the purposes of its or his road, so far as the same shall not be operated, shall revert to the original owners, or their successors in interest. A railroad shall be deemed to be in full operation when one passenger train, or one mixed train, is run over it once each day in each direction, and a sufficient number of freight trains to accommodate the traffic on said road.

SEC. 2. This Act shall not be construed to apply to a case where the operation of a road is prevented by the act of God, nor to a case where the operation of said road, together with its branch or trunk lines, does not yield income sufficient to defray the expenses of maintaining and operating the same in connection with its said branch or trunk lines.

SEC. 3. The Railroad Commissioners of the State of California shall have the power to examine and determine the question whether said road, together with its said branch and trunk lines, does or does not yield income sufficient to operate the same.

SEC. 4. This Act shall take effect immediately.

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[From Statutes of California, 1880.]

## CHAPTER LIX.

### AN ACT TO ORGANIZE AND DEFINE THE POWERS OF THE BOARD OF RAILROAD COMMISSIONERS.

[Approved April 15, 1880.]

*The People of the State of California, represented in Senate and Assembly, do enact as follows:*

SECTION 1. The three persons elected Railroad Commissioners pursuant to the provisions of section twenty-two of article twelve of the Constitution of this State, constitute, and shall be known and designated



as the "Board of Railroad Commissioners of the State of California." They shall have power to elect one of their number President of said Board, to appoint a Secretary, to appoint a Bailiff, who shall perform the duties of Janitor; also to employ a stenographer, whenever they may deem it expedient.

SEC. 2. The salary of each Commissioner shall be four thousand dollars per annum; the salary of the Secretary shall be twenty-four hundred dollars per annum; the salary of the Bailiff shall be twelve hundred dollars per annum, such salaries to be paid by the State of California in the same manner as the salaries of State officers are paid. The stenographer shall receive a reasonable compensation for his services, the amount to be fixed by the State Board of Examiners, and paid by the State. Said Commissioners, and the persons in their official employment, when traveling in the performance of their official duties, shall have their traveling expenses other than transportation paid, the amount to be passed on by the State Board of Examiners, and paid by the State. Said Board of Railroad Commissioners shall be allowed one hundred dollars per month for office rent, and fifty dollars per month for fuel, lights, postage, expressage, subscriptions to publications upon the subject of transportation, and other incidental expenses, to be paid by the State; *provided*, that all moneys remaining unexpended at the expiration of each fiscal year shall be returned to the State Treasury. Said Board is further authorized to expend not to exceed four hundred dollars for office furniture and fixtures, to be paid by the State. The State shall furnish said Board with all necessary stationery and printing, upon requisitions signed by the President of said Board.

SEC. 3. Said Commissioners, and the persons in their official employment, shall, when in the performance of their official duties, have the right to pass free of charge on all railroads, steamers, ships, vessels, and boats, and on all vehicles employed in or by any railroad or other transportation company engaged in the transportation of freight and passengers within the State.

SEC. 4. It shall be the duty of the Attorney-General and the District Attorney in every county, on request of said Board, to institute and prosecute, and to appear and to defend, for said Board, in any and all suits and proceedings which they or either of them shall be requested by said Board to institute and prosecute, and to appear in all suits and proceedings to which the Board is a party shall have precedence over all other business, except criminal business; *provided*, that said Board shall have the power to employ additional counsel to assist said Attorney-General, or said District Attorney, or otherwise, when in their judgment the exigencies of the case may so require, the fees and expenses of said additional counsel to be determined by the State Board of Examiners, and paid by the State.

SEC. 5. The office of said Board shall be in the City of San Francisco. Said office shall always be open (legal holidays and non-judicial days excepted). The Board shall hold its sessions at least once a month in said City of San Francisco, and at such other times and such other places within this State as may be expedient. The sessions of said Board shall be public, and when held at a place other than the office in the City of San Francisco, notice thereof shall be published once a week for two successive weeks before the commencement of such session, in a newspaper published in the county where such session is to be held; and if no news-

paper is published in such county, then in a newspaper published in an adjacent county, such publication to be paid by the State in the manner as other publications authorized by law are paid.

SEC. 6. The Board shall have a seal, to be devised by its members, or a majority thereof. Such seal shall have the following inscription surrounding it: "Railroad Commission, State of California." The seal shall be affixed only to, first, writs; second, authentications of a copy of a record or other proceedings, or copy of a document on file in the office of said Commission.

SEC. 7. The process issued by said Board shall extend to all parts of the State. The Board shall have power to issue writs of summons and of subpœna in like manner as courts of record. The summons shall direct the defendant to appear and answer within fifteen days from the day of service. The necessary process issued by the Board may be served in any county in this State by the Bailiff of the Board, or by any person authorized to serve process of courts of record.

SEC. 8. The Secretary of said Board shall issue all process and notices required to be issued, and do and perform such other duties as the Board may prescribe. The Bailiff shall preserve order during the sessions of said Board, and shall have authority to make arrests for disturbances. He shall also have authority, and it shall be his duty, to serve all process, orders, and notices issued by said Board when directed by the President, and make return of the same.

SEC. 9. All complaints before said Board shall be in writing and under oath. All decisions of said Board shall be given in writing, and the grounds of the decisions shall be stated. A record of the proceedings of said Board shall be kept, and the evidence of persons appearing before said Board shall be preserved.

SEC. 10. Whenever the Board shall render any decision within the purview and pursuant to the authority vested in said Board by section twenty-two of article twelve of the Constitution, said Board, or the person, co-partnership, company, or corporation making the complaint upon which such decision was rendered, is authorized to sue upon such decision in any court of competent jurisdiction in this State.

SEC. 11. Whenever said Board, in the discharge of its duties, shall establish or adopt rates of charges for the transportation of passengers and freight, pursuant to the provisions of the Constitution, said Board shall serve a printed schedule of such rates, and of any changes that may be made in such rates, upon the person, co-partnership, company, or corporation affected thereby; and upon such service, it shall be the duty of such person, co-partnership, company, or corporation to immediately cause copies of the same to be posted in all its offices, station-houses, warehouses, and landing offices affected by such rates, or change of rates, in such manner as to be accessible to public inspection during usual business hours. Said Board shall also make such further publication thereof as they shall deem proper and necessary for the public good. If the party to be served, as hereinbefore provided, be a corporation, such service may be made upon the President, Vice-President, Secretary, or Managing Agent thereof, and if a co-partnership, upon any partner thereof. The rates of charges established or adopted by said Board, pursuant to the Constitution and this Act, shall go into force and effect on the twentieth day after service of said schedule of rates, or

changes in rates, upon the person, co-partnership, company, or corporation affected thereby, as hereinbefore provided.

SEC. 12. When jurisdiction is, by the Constitution, conferred on the Board of Railroad Commissioners, all the means necessary to carry it into effect are also conferred on said Board; and when, in the exercise of jurisdiction within the purview of the authority conferred on said Board by the Constitution, the course of proceeding be not specifically pointed out, any suitable process or mode of proceeding may be adopted by the Board which may appear most conformable to the spirit of the Constitution.

SEC. 13. The said Board shall, immediately after entering upon the performance of its duties, demand and receive from the Transportation Commissioner, appointed under an Act approved April first, eighteen hundred and seventy-eight, section nine, chapter one, all public property belonging to the office of said Transportation Commissioner, in his possession, or under his control, and it is hereby made his duty to deliver the same to the said Board.

SEC. 14. The term "transportation companies" shall be deemed to mean and include:

First—All companies owning and operating railroads (other than street railroads) within this State.

Second—All companies owning and operating steamships engaged in the transportation of freight or passengers from and to ports within this State.

Third—All companies owning and operating steamboats used in transporting freight or passengers upon the rivers or inland waters of this State.

The word "company," as used in this Act, shall be deemed to mean and include corporations, associations, partnerships, trustees, agents, assignees, and individuals. Whenever any railroad company owns and operates, in connection with its road and for the purpose of transporting its cars, freight, or passengers, any steamer or other watercraft, such steamer or other watercraft shall be deemed a part of its said road. Whenever any steamship or steamboat company owns and operates any barge, canal-boat, steamer, tug, ferry-boat, or lighter in connection with its ships or boats, the things so owned and operated shall be deemed to be part of its main line.

SEC. 15. The salaries of the Commissioners, Secretary, Bailiff, and all other officers and attachés in any manner employed by the Board of Commissioners, and all expenses of any kind created under this Act, shall be paid out of any money in the General Fund not otherwise appropriated, and the Controller of State is hereby authorized and directed to draw his warrants from time to time for such purposes, and the State Treasurer is hereby authorized and directed to pay the same.

SEC. 16. This Act shall take effect immediately.

## REPORTS OF RAILROAD COMPANIES.

FOR THE YEAR ENDING JUNE 30, 1896.

## SOUTHERN PACIFIC COMPANY.

## HISTORY.

1. Name of common carrier making this report: Southern Pacific Company.
2. Date of organization: March 17, 1884.
3. Under laws of what Government, State, or Territory organized: Chartered by the Act of the State of Kentucky, Chap. 403, approved March 17, 1884; amended by Chap. 601, approved March 21, 1888.

## ORGANIZATION.

Names of Directors.	Post Office Address.
C. P. Huntington .....	23 Broad Street, New York.
Chas. F. Crocker .....	San Francisco.
Thos. H. Hubbard .....	23 Broad Street, New York.
John C. Stubbs .....	San Francisco.
N. T. Smith .....	San Francisco.
Thos. E. Stillman .....	23 Broad Street, New York.
H. E. Huntington .....	San Francisco.
Russell J. Wilson .....	San Francisco.
W. H. Crocker .....	San Francisco.
C. G. Lathrop .....	San Francisco.
A. L. Tubbs .....	San Francisco.

Date of expiration of terms of Directors: April 8, 1897.

Total number of stockholders at date of last election: 162.

Date of last meeting of stockholders for election of Directors: April 8, 1896.

Post Office address of general and operating offices: No. 4 Montgomery Street, San Francisco, Cal.

Name and address of officer to whom correspondence regarding this report should be addressed: E. C. Wright, Secretary, 4 Montgomery Street, San Francisco, Cal.

## OFFICERS.

Title.	Name.	Location of Office.
<i>General.</i>		
President .....	C. P. Huntington .....	New York.
First Vice-President .....	Charles F. Crocker .....	San Francisco.
Second Vice-President .....	Thomas H. Hubbard .....	New York.
Third Vice-President .....	J. C. Stubbs .....	San Francisco.
First Assistant to President .....	H. E. Huntington .....	San Francisco.
Acting Vice-President and Assistant Secretary .....	I. E. Gates .....	New York.
Second Assistant to President and Controller .....	William Mahl .....	New York.
General Manager .....	J. Kruttschnitt .....	San Francisco.
Secretary and Assistant Controller .....	E. C. Wright .....	San Francisco.
Assistant Secretary .....	C. F. Krebs .....	Louisville.
Treasurer .....	N. T. Smith .....	San Francisco.
Assistant Treasurer .....	F. H. Davis .....	New York.
Assistant to Treasurer .....	C. H. Redington .....	San Francisco.
Chief Engineer .....	William Hood .....	San Francisco.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## OFFICERS—Continued.

Title.	Name.	Location of Office.
<i>General—Continued.</i>		
Manager Purchases and Supplies.....	R. P. Schwerin.....	San Francisco.
General Counsel.....	Charles H. Tweed.....	New York.
Chief Counsel.....	William F. Herrin.....	San Francisco.
Transfer Agent.....	George Watkins.....	New York.
Registrar of Stock.....	Union Trust Company.....	New York.
<i>Pacific System.</i>		
General Traffic Manager.....	Richard Gray.....	San Francisco.
Assistant General Traffic Manager.....	E. Hawley.....	New York.
General Freight Agent.....	C. F. Smurr.....	San Francisco.
General Passenger Agent.....	T. H. Goodman.....	San Francisco.
General Baggage Agent.....	J. T. Carothers.....	San Francisco.
Manager.....	J. A. Fillmore.....	San Francisco.
Manager Lines in Oregon.....	R. Koehler.....	Portland, Or.
Engineer of Maintenance of Way.....	W. G. Curtis.....	San Francisco.
Superintendent of Motive Power.....	H. J. Small.....	Sacramento.
<i>Atlantic Properties.</i>		
Auditor.....	E. M. Underhill.....	New Orleans.
Local Treasurer.....	J. B. Richardson.....	New Orleans.
General Traffic Manager.....	J. G. Schriever.....	New Orleans.
General Freight Agent.....	H. J. Lyons.....	New Orleans.
General Passenger Agent.....	S. F. B. Morse.....	New Orleans.
Manager.....	W. G. Van Vleck.....	New Orleans.
Engineer of Maintenance of Way.....	J. T. Mahl.....	New Orleans.
Superintendent of Motive Power.....	J. J. Ryan.....	Houston.

## PROPERTY OPERATED.

Name of Road.	Miles.	Total Miles.
<i>Railroad line represented by capital stock—</i>		
None except through ownership of stock.		
<i>Proprietary companies whose entire capital stock is owned by this company—</i>		
Southern Pacific Railroad of California:		
San Francisco to Tres Pinos.....	100.490	
Alcalde to Mojave.....	202.178	
Mojave to Yuma.....	349.171	
Carnadero to Salinas City.....	35.100	
Salinas City to San Miguel.....	90.893	
Los Angeles to San Pedro.....	24.650	
San Miguel to Santa Margarita.....	27.802	
Ellwood to Saugus.....	91.500	
Stockton to Milton.....	25.820	
Baden to South San Francisco.....	1.513	
San Bruno to South San Francisco.....	2.159	
Hillsdale to New Almaden.....	7.711	
Pajaro to Santa Cruz.....	21.200	
Aptos to Monte Vista.....	7.083	
Castroville to Lake Majella.....	19.554	
Santa Margarita to San Luis Obispo.....	16.900	
San Luis Obispo to Lake.....	24.299	
Avon to San Ramon.....	20.269	
Near Martinez to Armona.....	193.228	
Collis to Fresno.....	15.154	
Peters to Oakdale.....	18.930	
Oakdale to Merced.....	40.332	
Berenda to Raymond.....	21.000	
Fresno to Pollasky.....	24.112	
Fresno to Famoso.....	102.275	
Bakersfield to Stevens.....	15.116	
Stevens to Rio Bravo.....	7.761	
Amount carried forward.....	1,509,898	

## PROPERTY OPERATED—Continued.

Name of Road.	Miles.	Total Miles.
Amount brought forward.....	1,509,898	
Rio Bravo to Lokern .....	14,912	
Lokern to Asphalto .....	10,288	
Burbank to Chatsworth Park .....	21,621	
Clement Junction to Santa Monica .....	15,515	
Santa Monica to Port Los Angeles .....	2,351	
Soldiers' Home to Branch .....	2,971	
San Pedro to Point Fermin .....	2,915	
Florence to Santa Ana .....	27,820	
Miraflores to Tustin .....	11,703	
Studebaker to Whittier .....	5,914	
Long Beach to Thenard .....	4,023	
Shorb to Pasadena .....	4,834	
Shorb to Monrovia .....	10,750	
Ontario to Chino .....	5,780	
Declez to Declezville .....	2,552	
Redlands Junction to Crafton .....	7,190	
Bassett to Covina .....	9,557	
Leased from San Bernardino & Redlands R. R. Co. (motor line):		
San Bernardino to Motor Junction .....	7,237	1,678,111
Southern Pacific Railroad of Arizona: East bank of Colorado River to New Mexico line....	392,930	392,930
Southern Pacific Railroad of New Mexico: Arizona line to east bank of Rio Grande .....	167,450	167,450
South Pacific Coast Railway (narrow gauge):		
Alameda to Santa Cruz .....	77,800	
Alameda Junction to Fourteenth Street, Oakland .....	1,800	
Newark to Centerville .....	3,000	
Campbells to New Almaden .....	9,600	
Felton to Boulder Creek .....	7,300	
Junction South of Big Trees to Old Felton .....	1,700	
Ferry, San Francisco, to Alameda .....	3,000	104,000
Northern Railway of California:		
West Oakland to Delaware Street .....	4,150	
West Oakland to near Martinez .....	31,040	
Benicia to Suisun .....	16,350	
Woodland to Tehama .....	100,840	
West Oakland to Berryman .....	5,390	
Willows to Fruto .....	16,840	
Elmira to Rumsey .....	51,390	
Napa Junction to Santa Rosa .....	36,950	
Sacramento to Placerville .....	59,730	
Galt to Ione .....	27,210	
Bracks (narrow gauge) to Valley Springs .....	39,850	
Port Costa (ferry) to Benicia .....	1,000	390,740
Northern California Railway:		
Oroville to Marysville .....	25,970	
Marysville to Knight's Landing .....	27,750	53,720
		2,786,801
<i>Lines operated under lease for specified sum—</i>		
California Pacific Railroad:		
Vallejo to Sacramento .....	60,390	
Davis to Knight's Landing .....	18,640	
Napa Junction to Calistoga .....	34,480	
Vallejo Junction (ferry) to Vallejo .....	2,000	115,510
Union Pacific Railway, account Central Pacific Railroad: Five miles west of Ogden to Ogden .....	5,000	5,000
		120,510
Amount carried forward.....		2,907,311

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## PROPERTY OPERATED—Continued.

Name of Road.	Miles.	Total Miles.
Amount brought forward .....		2,907,311
<i>Lines operated under contract, or where the rent is contingent upon earnings or other considerations—</i>		
Central Pacific Railroad:		
San José to near Ogden .....	863.120	
Roseville to Oregon State line .....	296.580	
Lathrop to Goshen .....	146.080	
Oakland local lines .....	4.840	
Alameda local lines .....	11.460	
Oakland to Niles .....	26.390	
Ogden Union Station to Utah Central crossing .....	.110	
San Francisco to Oakland (ferry) .....	3.690	
		1,352.270
Oregon and California Railroad:		
California State line to Portland .....	368.610	
Portland to Corvallis .....	96.520	
Woodburn to Natron .....	92.960	
Albany Junction to Lebanon .....	11.500	
Portland to Airlie .....	97.270	
Sheridan Junction to Sheridan .....	7.180	
		654.040
		2,006.310
<i>Lines operated under trackage rights—</i>		
Northern Railway of California, account C. P. R. R.:		
Brighton to Sacramento .....	5.640	
		5.640
Northern Pacific Terminal Co., account O. & C. R. R.:		
Trackage through terminal grounds at Portland .....	1.720	
		1.720
		7.360
Total Pacific System .....		4,920.981

## CAPITAL STOCK.

The total par value of authorized capital stock is \$150,000,000 divided into 1,500,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$120,995,070. No dividends declared. The manner of payment for capital stock was as follows:

	Number Shares Issued During Year.	Number Shares Outstanding.	Cash Realized.
Issued for cash, common .....		10,000.00	\$1,000,000 00
Issued for stock of railroad companies .....	609	1,199,950.70	119,995,070 00
Totals .....	609	1,209,950.70	\$120,995,070 00

The stock of this company is issued at par, and it receives therefor stock of railroad companies at rates agreed upon by the Board of Directors.

## FUNDED DEBT.

Class of Bond or Obligation, Date of Issue, and when Due.	Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
S. P. Company Steamship bond, first mortgage, Jan. 1, 1891; Jan. 1, 1911 .....	\$3,000,000 00	\$3,000,000 00	\$2,644,000 00	\$3,000,000 00

These bonds bear 6 per cent interest, payable in June and July. The amount accrued during year was \$162,900; amount paid, \$162,900.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Accrued During Year.	Interest Paid During Year.
Mortgage bonds .....	\$3,000,000 00	\$2,644,000 00	\$162,900 00	\$162,900 00

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including June 30, 1896.
Cash .....	Loans and bills payable .....
Bills receivable .....	Audited vouchers and accounts .....
Due from agents .....	Wages and salaries .....
Miscellaneous, U. S. Govt. ....	Net traffic balances due to other companies .....
Miscellaneous, other .....	Dividends not called for .....
Total cash and current assets ...	Matured interest coupons unpaid (including coupons due July 1st) .....
Balance—current liabilities ...	Total .....
Total .....	Total .....

Materials and supplies on hand, \$1,584,017 96.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Other Properties.
Capital stock .....	\$120,995,070	.....
Bonds .....	2,644,000	\$2,644,000
Equipment trust obligations .....	None.	.....
Totals .....	\$123,639,070	\$2,644,000

This company owns no road except through ownership of stock of railroad companies, which is, in effect, a duplication.

## B. For Mileage Operated by Road Making this Report (Trackage Rights excluded), the Operations of which are included in the Income Account.

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.
Southern Pac. R. R. of California	\$70,006,100	\$52,326,500	\$773,331 50	\$123,105,931 50
Southern Pac. R. R. of Arizona	19,995,000	10,000,000	1,015 00	29,996,015 00
Southern Pac. R. R. of N. Mexico	6,888,800	4,180,000	129,255 85	11,198,055 85
South Pac. C. Ry. (narrow gauge)	6,000,000	5,500,000	.....	11,500,000 00
Northern Railway .....	12,896,000	9,907,000	47,663 41	22,850,663 41
Northern California Railway ...	1,280,000	1,074,000	.....	2,354,000 00
Oregon & California Railroad ...	19,000,000	19,625,000	1,736,212 55	40,361,212 55
California Pacific Railroad .....	12,000,000	6,825,500	170,055 00	18,995,555 00
Central Pacific Railroad .....	67,275,500	59,883,000	1,984,930 80	129,143,430 80



## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## RECAPITULATION—Continued.

Name of Road.	Miles.	Amount per Mile of Line.
Southern Pacific Railroad of California .....	1,913.430	\$64,337 83
Southern Pacific Railroad of Arizona .....	392.930	76,339 33
Southern Pacific Railroad of New Mexico .....	167.300	66,874 03
South Pacific Coast Railway (narrow gauge) .....	101.000	113,861 39
Northern Railway .....	389.740	58,630 52
Northern California Railway .....	53.720	43,819 81
Oregon & California Railroad .....	654.040	61,710 62
California Pacific Railroad .....	113.510	167,346 98
Central Pacific Railroad .....	1,348.580	95,762 53

Morgan's Louisiana & Texas Railroad and Steamship Company, Iberia & Vermilion Railroad, and Louisiana Western Railroad—amounts not at hand.

## INCOME ACCOUNT.

	Atlantic Properties.	Pacific System.	Total.
Gross earnings from operation .....	\$4,020,807 07	\$32,226,624 46	\$36,247,431 53
Less operating expenses .....	2,539,785 71	20,956,812 64	23,496,598 35
Income from operation .....	\$1,481,021 36	\$11,269,811 82	\$12,750,833 18
Dividends on stocks owned .....		\$105,000 00	\$105,000 00
Interest on bonds owned .....	\$132,775 00	83,242 95	216,017 95
Miscellaneous income—less expenses .....	140,106 37	575,307 44	715,413 81
Income from other sources .....	\$272,881 37	\$763,550 39	\$1,036,431 76
Total income .....	\$1,753,902 73	\$12,033,362 21	\$13,787,264 94
Deductions from income:			
Interest on funded debt accrued .....	\$162,900 00		\$162,900 00
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	5,562 73	\$184,110 94	189,673 67
Rents paid for lease of road .....	1,271,726 83	10,745,677 66	12,017,304 49
Taxes .....	114,668 10	1,152,216 48	1,266,884 58
Permanent improvements .....		35,492 27	35,492 27
Total deductions from income .....	\$1,554,857 66	\$12,117,397 35	\$13,672,255 01
Net income .....	\$199,045 07		\$115,009 93
Deficit .....		\$84,035 14	
Surplus from operations of year ending June 30, 1896 .....			\$115,009 93
Surplus on June 30, 1895 .....			6,938,792 23
			\$7,053,802 16
Deductions for year* .....			127,129 32
Surplus on June 30, 1896 .....			\$6,926,672 84

\* Deductions for year—readjustment of valuations:

Permanent investments .....	\$64,400 00
Securities owned, etc. ....	62,729 32
	\$127,129 32

Permanent improvements charged to income account of the Southern Pacific Company, account of the following companies: South Pacific Coast Railway, Northern California Railway, California Pacific Railroad.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Items.	Permanent Improvements During Year.
Construction:	
Right of way.....	\$233 92
Other real estate.....	1,600 80
Fences.....	2,297 38
Grading, and bridge and culvert masonry.....	135 42
Bridges and trestles.....	709 73
Water station supply.....	682 47
Other superstructure.....	167 19
Buildings, furniture, and fixtures.....	8,302 44
Sidings.....	21,247 58
Total construction.....	\$35,376 93
Equipment:	
Cars of all classes.....	115 34
Total cost construction, equipment, etc. ....	\$35,492 27

This company owns no road. Construction and equipment reported by lessor companies.

## EARNINGS FROM OPERATION—Pacific System.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue.....	\$9,788,406 81		
Less tickets redeemed.....		\$45,227 15	
Less excess fares refunded.....		16,377 78	
Total deductions.....		\$61,604 93	
Total passenger revenue.....			\$9,726,801 88
Mail.....			1,147,920 77
Express.....			573,049 15
Extra baggage and storage.....			126,185 47
Other items.....			417,335 09
Total passenger earnings.....			\$11,991,292 36
Freight revenue.....	\$20,106,118 93		
Less overcharge to shippers.....		\$387,664 10	
Other repayments.....		43,762 32	
Total deductions.....		\$431,426 42	
Total freight earnings.....			19,674,692 51
Total passenger and freight earnings.....			\$31,665,984 87
Other earnings from operation:			
Car mileage—balance.....			\$100,902 12
Locomotive charges—balance.....			103,180 00
Telegraph companies.....			94,091 68
Rents from tracks, yards, and terminals.....			130,224 23
Rents not otherwise provided for.....			132,241 58
Total other earnings.....			\$560,639 59
Total gross earnings from operation.....			\$32,226,624 46

## STOCKS OWNED.

## A. Railway Stocks.

Name.	Par Value.	Income or Dividend Received.	Valuation.
Southern Pacific R. R. Co. of California .....	\$68,164,650 00	-----	\$40,785,409 89
Southern Pacific R. R. Co. of Arizona .....	19,895,000 00	-----	11,997,000 00
Southern Pacific R. R. Co. of New Mexico .....	6,888,800 00	-----	4,133,280 00
South Pacific Coast Ry. Co. ....	6,000,000 00	-----	550,000 00
Northern Ry. Co. ....	12,704,700 00	-----	12,704,700 00
Northern California Ry. Co. ....	1,280,000 00	-----	10 00
Morgan's Louisiana & Texas R. R. & S. S. Co. ....	14,995,000 00	-----	22,444,250 00
Louisiana Western R. R. Co. ....	3,360,000 00	-----	3,360,000 00
Texas & New Orleans R. R. Co. ....	5,000,000 00	-----	7,500,000 00
Galveston, Harrisburg & San Antonio Ry. Co. ....	27,016,000 00	-----	16,211,175 00
New York, Texas & Mexico Ry. Co. ....	615,000 00	-----	500 00
Oregon & California R. R. Co. ....	4,000,000 00	-----	400,000 00
California Pacific R. R. Co. ....	1,794,633 33	-----	279,830 16
Mexican International R. R. Co. ....	4,172,100 00	-----	834,420 00
Austin & Northwestern R. R. Co. ....	716,000 00	-----	179,000 00
Central Texas & Northwestern Ry. Co. ....	200,000 00	-----	47,000 00
Fort Worth & New Orleans Ry. Co. ....	300,000 00	-----	3,000 00
Totals .....	\$177,201,883 33	-----	\$121,429,575 05

## B. Other Stocks.

Union Compress and Warehouse Co. ....	\$16,000 00	-----	\$10,000 00
Louisiana Sugar Exchange .....	250 00	-----	175 00
Chamber of Commerce and Industry of Louisiana .....	100 00	-----	100 00
New Orleans Board of Trade .....	100 00	-----	90 00
Railway Age and N. W. Railroader .....	500 00	-----	500 00
Wells, Fargo & Co. ....	1,750,000 00	\$105,000 00	1,925,000 00
Totals .....	\$1,766,950 00	\$105,000 00	\$1,935,965 00
Grand totals—A and B .....	\$178,968,833 33	\$105,000 00	\$123,365,440 05

## BONDS OWNED.

## A. Railway Bonds.

Name.	Total Par Value.	Rate.	Interest Received.	Valuation.
S. P. R. R. Co. of California, 5% consolidated of 1893 .....	\$537,000 00	5%	\$43,767 89	\$483,300 00
Oregon & Cal. R. R. Co., first mortgage .....	97,000 00	5%	14,725 00	72,750 00
Galveston, Harrisburg & San Antonio Ry. Co., income .....	1,110,000 00	6%	-----	277,500 00
Gulf, Western Texas & Pacific Ry. Co. ....	2,224,000 00	5%	111,200 00	1,334,178 38
Fort Worth & New Orleans Ry. Co. ....	648,000 00	6%	21,575 00	648,000 00
Gila Valley, Globek & Northern Ry. Co. ....	170,000 00	5%	8,500 00	113,333 34
Totals .....	\$4,786,000 00	-----	\$199,767 89	\$2,929,061 72

## B. Other Bonds.

Northern Pacific Terminal Co. ....	-----	6%	\$16,250 06	-----
Grand totals—A and B .....	\$4,786,000 00	-----	\$216,017 95	\$2,929,061 72

RENTALS RECEIVED—*Pacific System.*

Designation of Property.	Situation of Property Leased.	Company Using Property Leased.	Item.
Tracks: Third rail privilege .....	Ogden, Utah .....	Rio Grande West'n Ry.	\$175 08
Trackage right .....	Sacramento to Brighton	Central Pacific R. R.	7,200 00
Trackage right .....	Marysville, Cal. ....	Northern Cal. Ry.	1,800 00
Yards: Ferry and river steamers .....	San Francisco Bay .....	Pacific System lines	21,290 82
Shops .....	Sacramento, Cal. ....	Pacific System lines	57,000 00
Ship ways .....	Oakland, Cal. ....	Pacific System lines	6,144 78
Terminals: Ground .....	San Francisco, Cal. ....	Various tenants .....	481 00
Total .....			\$94,091 66

MISCELLANEOUS INCOME—*Pacific System.*

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Line of S. P. R. R. Co. of Cal., Mojave to The Needles, leased to the A. & P. R. R. ....	\$436,266 00	.....	\$436,266 00
Rental of property .....	146,218 42	\$29,233 53	116,984 89
Creosote works, Oakland, operation of .....	22,056 55	.....	22,056 55
Totals .....	\$604,540 97	\$29,233 53	\$575,307 44

RENTALS RECEIVED—*Atlantic Properties.*

Designation of Property.	Situation of Property Leased.	Company Using Property Leased.	Item.
Trackage right .....	New Iberia, Louisiana ..	Iberia & Vermilion ...	\$1,113 00
Trackage right .....	El Paso .....	Texas & Pacific Ry....	44,250 00
Total .....			\$45,363 00

MISCELLANEOUS INCOME—*Atlantic Properties.*

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Morgan's steamship line .....	\$2,386,701 22	\$2,571,509 85	Dr. \$184,808 63
Rental of property .....	2,400 00	.....	2,400 00
Southern Pacific Co. steamships .....	590,865 00	268,350 00	322,515 00
Totals .....	\$2,979,966 22	\$2,839,859 85	\$140,106 37

OPERATING EXPENSES—*Pacific System.*

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$2,570,625 06
Renewals of rails .....	220,560 14
Renewals of ties .....	936,505 17
Repairs and renewals of bridges and culverts .....	544,672 09
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	93,655 71
Repairs and renewals of buildings and fixtures .....	360,946 18
Repairs and renewals of docks and wharves .....	70,921 12
Repairs and renewals of telegraph .....	3,881 55
Stationery and printing .....	1,225 99
Other expenses .....	183,500 20
Total .....	\$4,990,493 21

OPERATING EXPENSES—*Pacific System*—Continued.

Item.	Amount.
<b>Maintenance of equipment:</b>	
Superintendence .....	\$179,469 29
Repairs and renewals of locomotives .....	1,256,338 12
Repairs and renewals of passenger cars .....	581,262 62
Repairs and renewals of freight cars .....	1,040,436 58
Repairs and renewals of work cars .....	46,198 60
Repairs and renewals of marine equipment .....	138,673 47
Repairs and renewals of shop machinery and tools .....	34,164 97
Stationery and printing .....	748 43
Other expenses .....	86,221 76
<b>Total .....</b>	<b>\$3,363,513 84</b>
<b>Conducting transportation:</b>	
Superintendence .....	\$402,266 49
Engine and roundhouse men .....	1,606,570 82
Fuel for locomotives .....	3,519,876 99
Water supply for locomotives .....	130,581 82
Oil, tallow, and waste for locomotives .....	35,421 55
Other supplies for locomotives .....	29,315 45
Train service .....	1,182,334 32
Train supplies and expenses .....	247,440 31
Switchmen, flagmen, and watchmen .....	396,715 15
Telegraph expenses .....	422,508 08
Station service .....	1,589,030 81
Station supplies .....	87,959 41
Switching charges—balance .....	12,221 44
Car mileage—balance .....	68,272 61
Hire of equipment .....	78,533 19
Loss and damage .....	97,040 45
Injuries to persons .....	102,749 15
Clearing wrecks .....	25,967 24
Operating marine equipment .....	537,968 60
Advertising .....	145,865 75
Outside agencies .....	230,390 85
Commissions .....	9,899 23
Rents for tracks, yards, and terminals .....	237,748 79
Rents of buildings and other property .....	148,002 51
Stationery and printing .....	95,108 77
Other expenses .....	70,437 83
<b>Total .....</b>	<b>\$11,620,227 61</b>
<b>General expenses:</b>	
Salaries of general officers .....	\$134,238 50
Salaries of clerks and attendants .....	359,365 26
General office expenses and supplies .....	49,831 53
Law expenses .....	279,351 92
Stationery and printing (general offices) .....	6,185 23
Other expenses .....	153,605 49
<b>Total .....</b>	<b>\$942,577 98</b>
<b>Recapitulation of expenses:</b>	
Maintenance of way and structures .....	\$4,990,493 21
Maintenance of equipment .....	3,363,513 84
Conducting transportation .....	11,620,227 61
General expenses .....	982,577 98
<b>Grand total .....</b>	<b>\$20,956,812 64</b>
Percentage of operating expenses to earnings .....	65.19

RENTALS PAID—*Pacific System.**A. Rents Paid for Lease of Road.*

Name of Road.	Interest on Bonds Guaranteed.	Cash.	Total.
Southern Pacific R. R. of California .....	\$2,948,908 41	\$916,808 67	\$3,865,717 08
Southern Pacific R. R. of Arizona .....	600,000 00	208,365 61	808,365 61
Southern Pacific R. R. of New Mexico .....	250,800 00	125,019 36	375,819 36
South Pacific Coast Ry. ....	220,000 00		220,000 00
Northern Ry. Co. ....	546,910 00	187,853 57	359,056 43
Northern California Ry. ....	53,700 00		53,700 00
Central Pacific R. R. ....	3,315,565 00	952,065 41 10,000 00	4,277,630 41
Oregon & California R. R. ....	942,100 00	790,811 23 5,000 00	156,288 77
California Pacific R. R. ....		600,000 00	600,000 00
Union Pacific Ry. ....		20,000 00	20,000 00
San Bernardino & Redlands R. R. Co. ....		9,000 00	9,000 00
Total rents .....	\$8,877,983 41	\$1,867,594 25	\$10,745,577 66

*B. Rents Paid for Lease of Tracks, Yards, and Terminals.*

Designation of Property.	Situation of Property Leased.	Company Owning Property Leased.	Item.
Steamers .....	Bay of San Francisco.	Various companies ..	\$21,290 82
Williams River Bridge .....	Portland, Or. ....	Union Pacific Ry. ....	10,000 00
Trackage right .....	Sacto. to Brighton, Cal.	Northern Ry. ....	7,200 00
Trackage right .....	Marysville, Cal. ....	Central Pacific R. R. ..	1,800 00
Trackage right .....	Rio Grande to El Paso.	G., H. & S. A. Ry. ....	5,661 36
Shops .....	San Francisco .....	Southern Pacific Co. ..	7,500 00
Shops .....	Sacramento .....	C. P. R. R. Co. ....	57,000 00
Shops .....	El Paso .....	G., H. & S. A. Ry. ....	6,252 21
Shipways .....	Oakland, Cal. ....	C. P. R. R. Co. ....	6,144 78
Ground .....	San Francisco, Cal. ....	C. A. Hooper & Co. ....	20,000 04
Ground .....	San Francisco, Cal. ....	Southern Pacific Co. ..	96,000 00
Ground .....	Ogden, Utah .....	U. P. Ry. & Depot Co. ..	9,000 00
Ground .....	Portland, Or. ....	N. P. Terminal Co. ....	39,899 60
Total rents .....			\$287,748 79

RENTALS PAID—*Atlantic Properties.**A. Rents Paid for Lease of Road.*

Name of Road.	Interest on Bonds Guaranteed.	Cash.	Total.
Morgan's Louisiana & Texas R. R. & S. S. Co. ....	\$502,088 60	\$479,240 90	\$981,329 50
Louisiana Western R. R. ....	134,400 00	145,855 92	280,255 92
Iberia & Vermilion R. R. ....	16,100 00	*5,958 59	10,141 41
Total rents .....	\$652,588 60	\$619,138 23	\$1,271,726 83

\*Credit.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

*B. Rents Paid for Lease of Tracks, Yards, and Terminals.*

Designation of Property.	Situation of Property Leased.	Company Owning Property Leased.	Item.
Trackage right .....	Cheneyville to Alexandria .....	Texas & Pacific Ry. Co. M. L. & T. R. R. & S. S. Co. ....	\$10,620 00
Trackage right .....	New Iberia, Louisiana .....		1,113 00
Total rents .....	.....		\$11,733 00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$123,260,900 16	Stocks owned .....	\$123,365,440 05	\$104,539 89	
2,621,378 38	Bonds owned .....	2,929,061 72	307,683 34	
6,574,195 34	Other permanent investm'ts .....	6,517,592 00		\$56,603 34
5,897,768 06	Cash and current assets .....	5,154,472 99		743,295 07
2,357,086 30	Materials and supplies .....	1,684,017 98		
594 00	Sinking fund .....	1,044 00		1,069,475 39
429,245 34	Sundries .....	132,388 29		
\$141,141,167 58	Totals .....	\$139,684,017 01		\$1,457,150 57
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$120,934,170 00	Capital stock .....	\$120,995,070 00	\$60,900 00	
2,715,000 00	Funded debt .....	2,644,000 00		\$71,000 00
9,450,153 35	Current liabilities .....	7,936,947 67		1,513,205 68
817,458 00	Accrued interest on funded debt not yet payable .....	824,282 50	6,824 50	
285,594 00	Income for sinking funds .....	357,044 00	71,450 00	
6,938,792 23	Profit and loss .....	6,928,672 84		12,119 39
\$114,141,167 58	Totals .....	\$139,684,017 01		\$1,457,150 57

## IMPORTANT CHANGES DURING THE YEAR.

\$60,900 of Southern Pacific Company capital stock issued in exchange for stock of other companies

\$71,000 of Southern Pacific Company Steamship bonds redeemed.

## CONTRACTS, AGREEMENTS, ETC.

1. *Express Companies.*—Contract with Wells, Fargo & Co., provides that the railroads shall transport express matter, and that payment therefor shall be made by Wells, Fargo & Co., at agreed rates.

2. *Mails.*—Rates are fixed by United States Government. On the Central and Southern Pacific, and Oregon and California Railroads these rates are subject to the terms of the several Acts of Congress granting aid for the construction of said railroads.

3. *Sleeping, Parlor, or Dining Car Companies.*—Sleeping cars are operated by the Pullman Palace Car Co., which company owns an interest in the cars. The net profit or loss from their operation is divided in proportion to the interest owned by each company.

4. *Freight or Transportation Companies or Lines.*—

5. *Other Railroad Companies.*—

6. *Steamboat or Steamship Companies.*—

7. *Telegraph Companies.*—Telegraph lines are operated jointly by Western Union Telegraph Co. and this company, under contracts entered into by the several lessor companies. The telegraph lines of the South Pacific Coast Ry. Co. are operated jointly with the Pacific Postal Telegraph Cable Co.

8. *Other Contracts.*—The Central Pacific R. R., the Southern Pacific R. R., and the Oregon & California R. R., each received aid in its construction from the United States, and is subject by the Acts granting such aid to certain restrictions and conditions regarding the transportation of freight, passengers, and mails. These Acts of Congress constitute contracts between the railroads and the United States.

## SECURITY FOR FUNDED DEBT.

Southern Pacific Company Steamship bonds, seven steamships mortgaged.

## EMPLOYEES AND SALARIES.

Class.	Number.	Total Days Worked.	Total Compensation.	Average Daily Compensation.
General officers .....	66	20,658	\$315,386 04	\$15 27
Other officers .....	10	3,130	46,600 08	14 89
General office clerks .....	541	16,933	599,758 32	3 54
Station agents* .....	543	169,959	444,793 68	2 62
Other station men † .....	1,232	385,616	960,350 64	2 49
Enginemen .....	676	211,588	948,769 94	4 48
Firemen .....	721	225,673	533,193 07	2 36
Conductors .....	378	118,314	483,194 64	4 08
Other trainmen .....	854	267,302	802,864 20	3 00
Machinists .....	382	119,566	407,013 36	3 40
Carpenters .....	748	234,124	733,507 92	3 13
Other shopmen .....	2,177	391,401	2,413,296 12	2 43
Section foremen .....	591	184,983	487,564 68	2 63
Other trackmen .....	4,129	1,292,377	1,819,159 08	1 41
Switchmen, flagmen, and watchmen ..	454	142,102	390,565 68	2 75
Telegraph operators and dispatchers ‡	240	75,120	246,177 96	3 28
Employees—account floating equipment .....	351	109,863	291,943 68	2 66
All other employees and laborers § .....	1,091	341,483	955,419 72	2 80
Total (including general officers) .....	16,184	5,065,592	\$12,882,261 81	\$2 54
Less general officers .....	66	20,658	315,386 04	15 27
Total (excluding general officers) .....	16,118	5,044,934	\$12,566,875 77	\$2 49
Distribution of above:				
General administration .....	617	193,121	\$961,744 44	\$4 98
Maintenance of way and structures ..	6,282	1,966,266	3,730,495 08	1 90
Maintenance of equipment .....	3,836	1,200,668	3,088,168 80	2 57
Conducting transportation .....	5,449	1,706,537	5,101,853 49	2 99
Total (including general officers) .....	16,184	5,065,592	\$12,882,261 81	\$2 54
Less general officers .....	66	20,658	315,386 04	15 27
Total (excluding general officers) .....	16,118	5,044,934	\$12,566,875 77	\$2 49

\* Includes agents who are also operators.

† Includes station men who are also operators.

‡ Excludes agents who are operators and station men who are also operators.

§ Maintenance of waymen not otherwise provided for. Commercial agents and clerks. Fruit-handlers on transportation. Department payrolls, lawyers, and stevedores.



PASSENGERS AND FREIGHT, AND TRAIN MILEAGE—*Pacific System.*

Item.	Tonnage, Passengers, etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue .....	19,164,185	
Number of passengers carried one mile .....	503,898,082	
Number of passengers carried one mile per mile of road .....	102,380	
Average distance carried—miles .....	26.29	
Total passenger revenue .....		\$9,726,801 88
Average amount received from each passenger .....		50.755
Average receipts per passenger per mile .....		01.930
Total passenger earnings .....		11,991,292 36
Passenger earnings per mile of road .....		2,416 41
Passenger earnings per train mile .....		1 45.097
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue .....	6,653,336	
Number of tons carried one mile .....	137,211,430	
Number of tons carried one mile per mile of road .....	33,967	
Average distance haul of one ton—miles .....	25.133	
Total freight revenue .....		19,674,692 51
Average amount received for each ton of freight .....		2 95.712
Average receipts per ton per mile .....		01.176
Total freight earnings .....		19,674,692 51
Freight earnings per mile of road .....		3,977 80
Freight earnings per train mile .....		1 91.752
<b>Passenger and freight:</b>		
Passenger and freight revenue .....		29,401,494 39
Passenger and freight revenue per mile of road .....		5,974 70
Passenger and freight earnings .....		31,665,984 87
Passenger and freight earnings per mile of road .....		6,434 87
Gross earnings from operation .....		32,226,624 46
Gross earnings from operation per mile of road .....		6,548 82
Gross earnings from operation per train mile .....		1 73.970
Operating expenses .....		20,956,812 64
Operating expenses per mile of road .....		4,258 66
Operating expenses per train mile .....		1 13.130
Income from operation .....		11,269,811 82
Income from operation per mile of road .....		2,290 16
<b>Train mileage:</b>		
Miles run by passenger trains .....	8,095,942	
Miles run by freight trains .....	9,755,328	
Miles run by mixed trains .....	673,498	
Total mileage trains earning revenue .....	18,524,768	
Miles run by switching trains .....	2,217,972	
Miles run by construction and other trains .....	850,335	
Grand total train mileage .....	21,593,075	
Mileage of loaded freight cars—north or east .....	58,462,102	
Mileage of loaded freight cars—south or west .....	64,066,418	
Mileage of empty freight cars—north or east .....	23,425,640	
Mileage of empty freight cars—south or west .....	19,507,142	
Average number of freight cars in train .....	16.125	
Average number of loaded cars in train .....	11.941	
Average number of empty cars in train .....	4.184	
Average number of tons of freight in train .....	162,976	
Average number of tons of freight in each loaded car .....	13.649	

FREIGHT TRAFFIC MOVEMENT (Company's material excluded)—*Pacific System.*

Commodity.	Total Freight Tonnage.	Per Cent.
<b>Products of agriculture:</b>		
Grain .....	794,862	11.95
Flour .....	105,892	1.59
Other mill products .....	68,240	1.03
Hay .....	187,999	2.83
Tobacco .....	5,527	.08
Cotton .....	8,616	.13
Fruit and vegetables .....	420,306	6.32
Other .....	112,704	1.69
<b>Products of animals:</b>		
Live stock .....	298,149	4.48
Dressed meats .....	13,785	.21
Other packing-house products .....	12,825	.19
Poultry, game, and fish .....	20,545	.31
Wool .....	23,421	.35
Hides and leather .....	21,323	.32
Other .....	2,786	.04
<b>Products of mines:</b>		
Anthracite coal .....	225,081	3.38
Coke .....	53,605	.81
Ores .....	48,631	.73
Base metal, pig or bar .....	26,200	.39
Stone, sand, and other like articles .....	231,231	3.48
Other .....	17,033	.26
<b>Products of forest:</b>		
Lumber .....	501,912	5.74
Wood .....	163,761	2.46
Other .....	7,573	.11
<b>Manufactures:</b>		
Petroleum and other oils .....	121,706	1.83
Sugar .....	105,028	1.58
Naval stores .....	3,453	.05
Iron, pig and bloom .....	23,919	.36
Iron and steel rails .....	16,287	.25
Other castings and machinery .....	19,728	.30
Bar and sheet metal .....	22,383	.34
Cement, brick, and lime .....	113,756	1.71
Agricultural implements .....	6,712	.10
Wagons, carriages, tools, etc. ....	13,717	.20
Wines, liquors, and beers .....	175,493	2.64
Household goods and furniture .....	6,851	.10
Other .....	274,448	4.12
Merchandise .....	969,096	14.57
Miscellaneous: Other commodities not mentioned above .....	137,176	2.06
Company .....	1,271,576	19.11
<b>Total tonnage .....</b>	<b>6,653,336</b>	<b>100.00</b>

DESCRIPTION OF EQUIPMENT—*Pacific System.*

Item.	Added During Year.	Number at End of Year.	With Train-Brake.*	With Automatic Coupler.
Locomotives—owned and leased:				
Freight.....	Inc. 14	681	676	
Switching.....	Inc. 6	48	48	
Total locomotives in service ..	Inc. 20	729	724	
Total locomotives owned .....		729	724	
Cars—owned and leased—In passenger service:				
First-class cars.....	Inc. 12	447	442	447 Miller Hooks.
Second-class cars.....	Inc. 9	98	98	98 Miller Hooks.
Combination cars.....	Inc. 12	59	58	57 Miller Hooks.
Emigrant cars—tourist.....	Dec. 12	61	61	61 Miller Hooks.
Dining cars.....	Inc. 2	9	9	9 Miller Hooks.
Parlor cars.....		2	2	2 Miller Hooks.
Sleeping cars—first-class .....	Inc. 7	97	97	97 Miller Hooks.
Baggage, express, and postal cars	Inc. 3	190	189	189 Miller Hooks.
Other cars in passenger service, street car.....		1		
Totals .....	Inc. 33	964	956	960 Miller Hooks.
In freight service:				
Box cars.....	Inc. 270	9,906	9,254	{ 137 Miller Hooks.
Flat cars.....	Dec. 214	4,019	3,325	{ 4,505 Cal. Couplers.
Stock cars.....		21	16	{ 610 California Couplers.
Coal cars.....	Inc. 6	644	644	{ 155 California Couplers.
Tank cars.....	Inc. 25	27	27	{ 28 California Couplers.
Refrigerator cars.....		32	32	{ 27 California Couplers.
				{ 3 Janney Couplers.
Totals .....	Inc. 87	14,649	13,298	{ 137 Miller Hooks.
				{ 5,323 Cal. Couplers.
				{ 3 Janney Couplers.
In company's service:				
Officers' and pay cars.....		13	13	13 Miller Hooks.
Gravel cars.....	Dec. 21	68		
Derrick cars.....		12	11	
Caboose cars.....	Inc. 9	266	3	
Other road cars—13 snow-plows, 4 snow-plow tenders, 1 tie machine, 14 ice flangers, 18 pile drivers and tenders, 6 creosote plant cars, 86 water.....	Inc. 21	269	143	{ 11 Miller Hooks.
				{ 1 California Coupler.
Totals .....	Inc. 9	628	170	{ 24 Miller Hooks.
				{ 1 California Coupler.
Total cars in service .....	Inc. 129	16,241	14,424	{ 1,121 Miller Hooks.
				{ 3 Janney Couplers.
				{ 5,324 Cal. Couplers.
Total cars owned.....		16,241	14,424	6,448

Cars contributed to fast freight line service, none.

\*Westinghouse.

## MILEAGE—Pacific System.

## A. Mileage of Road Operated.

Line in Use.	Line of Proprietary Companies.	Line Operated Under Lease.	Line Operated Under Contract, Etc.	Line Operated Under Trackage Rights.	Total Mileage Operated
Miles of single track .....	2,786.801	120.510	2,006.310	7.360	4,920.981
Miles of second track .....	49.477	-----	9.510	-----	58.987
Miles of yard track and sidings .....	614.700	35.920	411.060	-----	1,061.680
Total mileage operated (all tracks).	3,450.978	156.430	2,426.880	7.360	6,041.648

Line in Use.	New Line Constructed During Year.	Iron Rails.	Steel Rails.	Ferry.
Miles of single track .....	46.171	111.032	4,792.899	9.690
Miles of second track .....	5.857	.580	58.407	-----
Miles of yard track and sidings .....	45.760	627.450	434.230	-----
Total mileage operated (all tracks) .....	97.788	739.062	5,285.536	9.690

## B. Mileage of Line Operated, by States and Territories—Single Track.

State or Territory.	Line of Proprietary Companies.	Line Operated Under Lease.	Line Operated Under Contract, Etc.	Line Operated Under Trackage Rights.	Total Mileage Operated, Including Ferry.
State of California .....	2,226.571	115.510	753.890	5.640	3,101.611
State of Nevada .....	-----	-----	448.730	-----	448.730
State of Oregon .....	-----	-----	654.040	1.720	655.760
State of Utah .....	-----	5.000	149.650	-----	154.650
Territory of Arizona .....	392.930	-----	-----	-----	392.930
Territory of New Mexico .....	167.300	-----	-----	-----	167.300
State of Texas .....	-----	-----	-----	-----	-----
Total mileage operated (single track)	2,786.801	120.510	2,006.310	7.360	4,920.981

State or Territory.	New Line Constructed During Year.	Iron Rails.	Steel Rails.	Ferry.
State of California .....	47.741	89.212	2,997.069	9.690
State of Nevada .....	-----	-----	448.730	-----
State of Oregon .....	2.260	21.820	632.220	-----
State of Utah .....	.010	-----	154.650	-----
Territory of Arizona .....	Dec. .080	-----	392.930	-----
Territory of New Mexico .....	-----	-----	167.300	-----
State of Texas .....	Dec. 3.760	-----	-----	-----
Total mileage operated (single track) .....	46.171	111.032	4,792.899	9.690

RENEWALS OF RAILS AND TIES—*Pacific System.*

New Rails Laid During Year.	Tons .....	Weight per Yard .....	Average Price per Ton at Distributing Point .....	New Ties Laid During Year.	Number .....	Average Price at Distributing Point .....
Steel .....	1,503.73	61.50	\$40 00	Redwood .....	761,963	\$0 53
Steel .....	6,848.22	75.00	40 00	Pine, etc., treated .....	347,513	50 1/2
Steel .....	543.95	76.00	40 00	Pine, etc., untreated .....	38,662	50
Total steel .....	8,895.90	.....	\$40 00	Totals .....	1,146,138	\$0 52 15/100

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	* Fuel Oil—Gallons.	Bituminous Coal—Tons.	† Soft Wood—Cords.	Total Fuel Consumed—Tons.	Miles Run.	Average lbs. Consumed per Mile.
Passenger .....	143,675	192,713 1/2	35,602	211,258	8,095,942	52
Freight .....	1,416	383,738 1/2	44,428 1/2	405,959	9,755,328	83
Switching .....	55,320	45,795 1/2	5,426 1/2	48,785	2,217,972	44
Construction .....	.....	20,258 1/2	5,543 1/2	23,030	850,335	54
Mixed .....	.....	18,763	4,275	20,901	673,498	62
Totals .....	205,411	661,268 3/4	95,275 1/4	708,933	21,593,075	66
Average cost at distributing point.	\$0.0186	\$4 72	\$3 68			

\* 200 gallons to ton.

† 2 cords to ton.

ACCIDENTS TO PERSONS—*Pacific System.*

Kind of Accident.	Trainmen.		Switchmen, Flagmen, and Watchmen.		Other Employees.		Total.	
	Killed .....	Injured .....	Killed .....	Injured .....	Killed .....	Injured .....	Killed .....	Injured .....
Coupling and uncoupling .....	1	92	.....	23	.....	31	1	146
Falling from trains and engines .....	2	42	2	8	.....	9	4	59
Overhead obstructions .....	.....	9	.....	.....	.....	1	.....	10
Collisions .....	2	31	.....	2	.....	4	2	37
Deraillments .....	.....	9	.....	3	.....	1	.....	13
Other train accidents .....	1	31	.....	.....	.....	6	1	37
At highway crossings .....	.....	1	.....	.....	.....	.....	.....	1
At stations .....	.....	40	.....	5	1	18	1	63
Other causes .....	2	135	2	14	8	63	12	212
Totals .....	8	390	4	55	9	133	21	578

ACCIDENTS TO PERSONS—*Pacific System*—Continued.

Kind of Accident.	Passengers.		Others.					
			Trespassing.		Not Trespassing.		Total.	
	Killed	Injured	Killed	Injured	Killed	Injured	Killed	Injured
Collisions.....	---	23	---	---	1	3	1	3
Deraillments.....	---	33	1	1	---	4	1	5
Other train accidents.....	---	8	1	1	---	---	1	1
At highway crossings.....	---	1	12	30	---	---	12	30
At stations.....	2	20	2	19	---	---	2	19
Other causes.....	7	67	76	111	1	4	77	115
Totals.....	9	152	92	162	2	11	94	173

*Explanation of "Other Causes"—Employees.*

Kind of Accident.	Trainmen.		Switchmen, Flagmen, Watchmen.		Other Employés.		Total.	
	Killed	Injured	Killed	Injured	Killed	Injured	Killed	Injured
Cars struck too hard.....	---	2	---	---	---	1	---	3
Brake chain broke.....	---	2	---	---	---	---	---	2
Train broke in two.....	---	8	---	---	---	1	---	9
Collision with hand-car and velocipede.....	---	---	---	---	---	2	---	2
Engine boiler blew up.....	---	1	---	---	---	---	---	1
Sudden stopping of train.....	1	5	---	---	---	2	1	7
Squirt hose and tube on engine bursting.....	---	8	---	---	---	---	---	8
Broken wheel.....	---	2	---	---	---	---	---	2
Rough coupling.....	---	3	---	---	---	---	---	3
Totals.....	1	31	---	---	---	6	1	37

*Explanation of "Other Causes"—Others than Employees.*

Kind of Accident.	Passengers.		Others.					
			Trespassing.		Not Trespassing.		Total.	
	Killed	Injured	Killed	Injured	Killed	Injured	Killed	Injured
Engine boiler blew up.....	---	---	---	---	---	---	---	---
Collision with street car.....	---	4	---	---	---	---	---	---
Rough coupling.....	---	2	---	1	---	---	---	1
Broken wheel.....	---	1	---	---	---	---	---	---
Sudden starting and stopping of train.....	---	1	1	---	---	---	1	---
Totals.....	---	8	1	1	---	---	1	1

*Explanation of "Other Causes"—Employees.*

Kind of Accident.	Trainmen.		Switchmen, Flagmen, Watchmen.		Other Employees.		Total.	
	Killed....	Injured ..	Killed....	Injured ..	Killed....	Injured ..	Killed....	Injured ..
Getting on and off moving trains and engines.....		35		4	1	13	1	52
Jammed between cars (not coupling).....	2	2		1	1		3	3
Foreign body in eye.....		32		1		1		34
Stepping on rock, end of tie, etc., causing foot to turn.....		3				4		7
Walking or being on track, struck by engine or car.....		1	2	2	6	5	8	8
Miscellaneous accidents occurring on or about engines.....		27		3		8		38
Passing between cars, foot caught between drawheads.....		1				5		6
Setting brake (rupture).....				1				1
Struck by projections (mail catcher, switch stand, etc.).....		7		1		2		10
Foot caught in coal derrick.....		2						2
Handling freight and baggage.....		2				1		3
Struck by block and tackle.....						1		1
Falling from trestle.....						1		1
Loading and unloading track material.....		3				11		14
Rock fell off car.....		3				1		4
Foot caught in turn-table.....		2				1		3
Hand caught in switch.....				1		3		4
Cut by car seal.....		1						1
Struck by hose hanger.....		1						1
Foot caught in frog.....		1				4		5
Door shutting on hand.....		5						5
Falling against window.....		3						3
Skid fell on foot.....		2				2		4
Foot caught under engine.....		2						2
Totals.....	2	135	2	14	8	63	12	212

*Explanation of "Other Causes"—Others than Employees.*

Kind of Accident.	Passengers.		Others.					
			Trespassing.		Not Trespassing.		Total.	
	Killed....	Injured ..	Killed....	Injured ..	Killed....	Injured ..	Killed....	Injured ..
Walking or being on track, struck by engine.....	1		46	34			46	34
Getting on and off moving trains.....	3	27	16	41			16	41
Falling off trains.....	3	8	9	17		2	9	19
Hand getting caught in brake.....				1				1
Falling over switch.....		2		1				1
Jammed between cars.....					1		1	
Foreign body in eye.....						1		1
Coupling cars.....				1				1
Struck by snow sheds.....		1	2	1			2	1
Passing between cars, foot caught between drawheads.....								
Window falling on hand.....		1		12				12
Door shutting on hand.....		2						
Struck by stone thrown at window.....		9				1		1
Falling in car.....		11						
Fell from bridge.....		2						
Falling against window.....		1	3				3	
Struck by brake wheel.....		2		1				1
Struck by tie.....				2				2
Totals.....	7	67	76	111	1	4	77	115

## CAR MILEAGE.

List of Individuals, Coöperative Fast Freight Lines, and Stock Companies, to which the Company making this Report Paid Mileage for the Use of Cars.

Name of Owner.	Rate.	Amount.
Abernethy Furniture Co., box cars .....	¾c.	\$31 69
American Refrigerator Transit Co., box cars .....	¾c.	821 24
American Brewing Co. Refrigerator Line, box cars .....	¾c.	75 48
American Cereal Co. Despatch, box cars .....	¾c.	112 15
American Cotton Oil Co., box cars .....	¾c.	66 16
Armour Car Lines, box cars .....	¾c.	26,683 45
Arms Palace Horse Car Co., box cars .....	¾c.	51 64
Arctic Oil Works, box cars .....	¾c.	127 99
Boyd, Lunham & Co., box cars .....	¾c.	25 51
Burton Stock Car Co., box cars .....	¾c.	22 01
Continental Fruit Express, box cars .....	¾c.	16,030 70
California Fruit Express, box cars .....	¾c.	555 41
California Fruit Transportation Co., box cars .....	¾c.	18,546 75
Canda Cattle Car Co., box cars .....	¾c.	43 87
Commercial Despatch Line, box cars .....	¾c.	9 43
Creamery Package Manufacturing Co., box cars .....	¾c.	246 43
Consolidated Cattle Car Co., box cars .....	¾c.	13 12
Cottolene Refrigerator Line, box cars .....	¾c.	193 33
Cudahy Refrigerator Line, box cars .....	¾c.	1,272 30
Goodell Refrigerator Car Co., box cars .....	¾c.	136 48
Goodell California Fruit Line, box cars .....	¾c.	6,901 31
Hammond Refrigerator Line, box cars .....	¾c.	102 38
Havens, C. B. & Co., box cars .....	¾c.	837 90
Hicks Stock Car Co., box cars .....	¾c.	266 69
Healy Refrigerator Line, box cars .....	¾c.	18 14
Independent Refining Co., box cars .....	¾c.	134 06
Jacob Dold Packing Co., box cars .....	¾c.	1,146 49
Kansas City Dressed Beef Line, box cars .....	¾c.	1,884 11
Kansas Manufacturers' Despatch, box cars .....	¾c.	69 06
Kingan Refrigerator Line, box cars .....	¾c.	729 45
Kentucky Refining Co., box cars .....	¾c.	19 62
Libby, McNeil & Libby, box cars .....	¾c.	395 01
Lipton Refrigerator Line, box cars .....	¾c.	326 80
Live Poultry Transportation Co., box cars .....	¾c.	469 50
Mann Bros., box cars .....	¾c.	48 23
Monesha Woodenware Co., box cars .....	¾c.	11 16
Merchants' Despatch Transportation Co., box cars .....	¾c.	2,818 03
Moran Refrigerator Line, box cars .....	¾c.	35 79
National Linseed Oil Co., box cars .....	¾c.	10 88
National Rolling Stock Co., box cars .....	¾c.	116 85
New England Car Co., box cars .....	¾c.	22 64
New York Despatch Refrigerator Line, box cars .....	¾c.	24 81
Omaha Packing Co., box cars .....	¾c.	1 68
Pacific Coast Oil Co., box cars* .....	¾c.	3,108 38
Peavey Grain Line, box cars .....	¾c.	20 85
Pullman's Palace Car Co., first and second class sleepers .....	3c. and 1c.	7,759 18
Provision Dealers' Despatch, box cars .....	¾c.	12 41
San Francisco Breweries Car and Transportation Co., box cars .....	¾c.	3,134 26
St. Charles Car Co., box cars .....	¾c.	156 41
St. Louis Refrigerator Car Co., box cars .....	¾c.	2,475 68
Southwestern Refrigerator Despatch, box cars .....	¾c.	1 65
Southwestern Millers' Despatch, box cars .....	¾c.	24 73
Street's Western Stable Car Line, box cars .....	¾c.	84 98
Swift Refrigerator Line, box cars .....	¾c.	1,431 95
Union Refrigerator Transit, box cars .....	¾c.	1,637 55
Union Tank Line, box cars .....	¾c.	23,540 72
Venice Transportation Co., box cars .....	¾c.	91 46
Wagner Palace Car Co., first and second class sleepers .....	2c. and 1c.	102 74
Waters-Pierce Oil Co., box cars .....	¾c.	197 34
Waverly Oil Co., box cars .....	¾c.	11 46
White Star Transportation Co., box cars .....	¾c.	286 19
Western Meat Refrigerator Express, box cars .....	¾c.	12 85
Wogan Bros. Tank Line, box cars .....	¾c.	12 20
Total .....		\$125,057 50

\* Five cars leased at \$10 per month each.



STATE OF CALIFORNIA,  
City and County of San Francisco. } ss.

We, the undersigned, C. F. Crocker, Vice-President, and E. C. Wright, Assistant Controller of the Southern Pacific Company, on our oath do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

(Signed:) C. F. CROCKER,  
Vice-President.

(Signed:) E. C. WRIGHT,  
Assistant Controller.

Subscribed and sworn to before me, this 12th day of October, 1896.

[SEAL.]

(Signed:) E. B. RYAN,  
Notary Public in San Francisco, Cal.

## CENTRAL PACIFIC RAILROAD COMPANY.

### HISTORY.

1. Name of common carrier making this report: Central Pacific Railroad Company.
2. Date of organization: August 22, 1870.
3. Under laws of what Government, State, or Territory organized: Incorporated under the laws of the State of California, and of the United States. California: General law of 1861, approved May 20, 1861. United States, 12 Stat. 489; 13 Stat. 356; 14 Stat. 289.
4. Names of constituent companies:
  - I. *Central Pacific Railroad Company*. Consolidated June 23, 1870.  
Central Pacific Railroad Company of California, chartered June 28, 1861; amended October 8, 1864.  
Western Pacific Railroad Company, chartered December 13, 1862. } Western Pacific Railroad Company, consolidated November 2, 1869.  
San Francisco Bay Railroad Company. }
  - II. *California & Oregon Railroad Company*. Consolidated December 18, 1869.  
California & Oregon Railroad Company, chartered June 30, 1865. } California & Oregon Railroad Company, consolidated January 16, 1868.  
Marysville Railroad Company, chartered November 29, 1867. }  
Yuba Railroad Company, chartered November 17, 1862. }
  - III. *San Francisco, Oakland & Alameda Railroad Co.* Consolidated June 29, 1870.  
San Francisco & Alameda Railroad Company, chartered March 26, 1863. } San Francisco & Alameda Railroad Company, consolidated October 15, 1868.  
San Francisco, Alameda & Stockton Railroad Co., chartered Dec. 8, 1863. }  
San Francisco & Oakland Railroad Company, chartered October 21, 1861. }
  - IV. *San Joaquin Valley Railroad Company*. Chartered February 5, 1868.

The above four roads were consolidated August 22, 1870, under the name of the Central Pacific Railroad Company.

5. Authority: General railroad laws of California.

6. Not reorganized.

7. Carrier operating the road of this company: Southern Pacific Company.

## ORGANIZATION.

Names of Directors.	Post Office Address.
C. P. Huntington .....	23 Broad Street, New York.
I. E. Gates .....	23 Broad Street, New York.
Isaac L. Requa .....	San Francisco.
William H. Mills .....	San Francisco.
Charles P. Eells .....	San Francisco.
F. E. Spencer .....	San Francisco.
C. E. Bretherton .....	London, England.

Date of expiration of terms of Directors: April 13, 1897.

Total number of stockholders at date of last election: 1,630.

Date of last meeting of stockholders for election of Directors: April 14, 1896.

Post Office address of general and operating offices: 532 Market Street, San Francisco, and 23 Broad Street, New York.

Name and address of officer to whom correspondence regarding this report should be addressed: W. M. Thompson, Secretary and Auditor, San Francisco, Cal.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	Isaac L. Requa .....	San Francisco.
First Vice-President .....	C. P. Huntington .....	23 Broad St., New York.
Second Vice-President .....	William H. Mills .....	San Francisco.
Third Vice-President .....	I. E. Gates .....	23 Broad St., New York.
Secretary and Auditor .....	W. M. Thompson .....	San Francisco.
Treasurer .....	William H. Mills .....	San Francisco.
General Solicitor and Chief Counsel .....	W. F. Herrin .....	San Francisco.
Land Agent .....	William H. Mills .....	San Francisco.

Other officers are reported by Southern Pacific Company, lessee.

## PROPERTY OPERATED.

(Reported by Southern Pacific Company, lessee.)

## PROPERTY LEASED, OR OTHERWISE ASSIGNED FOR OPERATION.

Name of Railroad the Income of which from Lease, or from other Assignment for Operation, is included in the Income Account.

Name.	Miles.
Central Pacific Railroad:	
San José, Cal., to near Ogden, Utah .....	863.12
Roseville to Oregon State line .....	296.58
Lathrop to Goshen .....	146.08
Oakland local lines .....	4.84
Alameda local lines .....	11.46
Ogden Union Station to Utah Central Crossing .....	.11
Oakland to Niles .....	26.39
San Francisco Ferry Line—San Francisco to Oakland Wharf .....	3.69
Leased by C. P. R. Co. from Union Pacific Ry. Co.—Ogden, Utah, to 5 miles west .....	5.00
Trackage right from Northern Ry. Co.—Sacramento to Brighton .....	5.64
Total mileage .....	1,362.91

Operated by Southern Pacific Company under lease.

Railroads, equipments, and appurtenances of the Central Pacific Railroad Company leased to the Southern Pacific Company for ninety (90) years from January 1, 1894.

Lessee will pay to lessor a fixed yearly rental amounting to ten thousand dollars (\$10,000), to be applied to maintaining corporate organization.

Lessee is to operate said leased property and apply the earnings and income derived therefrom to paying all operating expenses thereof, incidental expenses connected therewith, including rental of leased lines; and, according to their priorities, to the payment of current interest, sinking fund contributions, United States requirements, etc.

On the 1st day of April in each year lessee shall pay to lessor such balance, if any, of the net earnings or income received by the lessee from leased premises for the year ending on the 31st day of December next preceding, as shall remain in its hands after payments provided for are made; *provided*, that if such balance shall exceed the sum of six (6) per cent of the capital stock of the lessor, the lessee shall retain one half ( $\frac{1}{2}$ ) of such excess.

Lessee shall be entitled to retain and pay to itself whatever may be owing to it from lessor, for and in respect of advances which may have been made by lessee.

Agreement subject to revision and change if found to work to the benefit of one party at the expense of the other.

#### CAPITAL STOCK.

The total par value of capital stock authorized is \$100,000,000, divided into 1,000,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$67,295,500—672,755 shares at \$100 each.

There have been so many consolidations that it is impossible now to correctly trace the manner of payment for all the capital stock. It was issued for cash or its equivalent in material, labor, or services.

#### FUNDED DEBT.

##### *Mortgage Bonds, Miscellaneous Obligations, and Income Bonds.*

Class of Bond or Obligation, and Date of Issue and Maturity.	Authorized Issue.	Amount Issued.	Amount Outstanding.
C.P.R.R. first mortgage, A (extended)—July 1, 1895; Jan. 1, 1898	\$3,000,000	\$2,996,000	\$2,995,000
C.P.R.R. first mortgage, B—July 1, 1886; July 1, 1896	1,000,000	1,000,000	1,000,000
C.P.R.R. first mortgage, C—July 1, 1866; July 1, 1896	1,000,000	1,000,000	1,000,000
C.P.R.R. first mortgage, D—July 1, 1866; July 1, 1896	1,390,000	1,383,000	1,383,000
C.P.R.R. first mortgage, E—Jan. 1, 1867; Jan. 1, 1897	4,000,000	3,997,000	3,997,000
C.P.R.R. first mortgage, F—Jan. 1, 1868; Jan. 1, 1898	4,000,000	3,999,000	3,999,000
C.P.R.R. first mortgage, G—Jan. 1, 1868; Jan. 1, 1898	4,000,000	3,999,000	3,999,000
C.P.R.R. first mortgage, H—Jan. 1, 1868; Jan. 1, 1898	4,000,000	4,000,000	3,999,000
C.P.R.R. first mortgage, I—Jan. 1, 1868; Jan. 1, 1898	3,525,000	3,511,000	3,511,000
W.P.R.R. first mortgage, A—July 1, 1869; July 1, 1899	1,970,000	1,970,000	1,970,000
W.P.R.R. first mortgage, B—July 1, 1868; July 1, 1918	765,000	765,000	765,000
C. & O. first mortgage, A—Jan. 1, 1868; Jan. 1, 1918	6,000,000	6,000,000	5,982,000
C. & O. first mortgage, B—Jan. 1, 1872; Jan. 1, 1918	7,200,000	5,858,000	4,358,000
San Joaquin Valley—Oct. 1, 1870; Oct. 1, 1900	6,080,000	6,080,000	6,080,000
C.P.R.R. Land Grant—Oct. 1, 1870; Oct. 1, 1900	10,000,000	10,000,000	2,506,000
C.P.R.R. 50-year bonds of 1936—Oct. 1, 1896; Oct. 1, 1936	16,000,000	12,283,000	56,000
C.P.R.R. 50-year bonds of 1939—Oct. 1, 1889; Oct. 1, 1939			12,283,000
Totals	\$73,930,000	\$68,841,000	\$59,883,000
United States subsidy bonds	27,855,680	27,855,680	27,855,680
Grand totals	\$101,785,680	\$96,696,680	\$87,738,680

*Interest on above Bonds (paid by lessee from income).*

Class of Bond.	Rate.	When Payable.	Amount Accrued.	Amount Paid.
C. P. R. R. first mortgage, series A (extended) .....	5	Jan.—July.	\$149,750 00	\$74,350 00
C. P. R. R. first mortgage, series B .....	6	Jan.—July.		
C. P. R. R. first mortgage, series C .....	6	Jan.—July.		
C. P. R. R. first mortgage, series D .....	6	Jan.—July.		
C. P. R. R. first mortgage, series E .....	6	Jan.—July.	1,373,280 00	1,462,350 00
C. P. R. R. first mortgage, series F .....	6	Jan.—July.		
C. P. R. R. first mortgage, series G .....	6	Jan.—July.		
C. P. R. R. first mortgage, series H .....	6	Jan.—July.		
C. P. R. R. first mortgage, series I .....	6	Jan.—July.		
W. P. R. R. first mortgage, series A .....	6	Jan.—July.	164,100 00	163,560 00
W. P. R. R. first mortgage, series B .....	6	Jan.—July.		
California & Oregon, series A .....	5	Jan.—July.	299,100 00	301,025 00
California & Oregon, series B .....	5	Jan.—July.	217,900 00	218,350 00
San Joaquin Valley .....	6	April—Oct.	364,800 00	364,440 00
C. P. R. R. Land Grant .....	5	April—Oct.	129,125 00	129,725 00
C. P. R. R. 50-year bonds of 1936 .....	6	April—Oct.	3,360 00	3,360 00
C. P. R. R. 50-year bonds of 1939 .....	5	April—Oct.	614,150 00	611,400 00
United States subsidy bonds .....	6	Jan.—July.	Paid by U. S. Government.	
Totals .....			\$3,315,565 00	\$3,328,560 00

Owing to the number of consolidations it is impossible now to correctly trace the manner of payment for bonds. They were all issued for cash or its equivalent.

## RECAPITULATION OF FUNDED DEBT

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$68,841,000	\$59,883,000
Miscellaneous obligations—U. S. subsidy bonds .....	27,855,680	27,855,680
Totals .....	\$96,696,680	\$87,738,680

Interest accrued on mortgage bonds during year, \$3,315,565; interest paid by lessee during year, \$3,328,560.

Interest on subsidy bonds paid by United States.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$228,854 60	Loans and bills payable .....	\$400,000 00
Bills receivable .....	143,928 34	Audited vouchers and acc'ts. ....	389,441 51
Due from solvent companies and individuals .....	374,361 66	Dividends not called for .....	37,164 00
Other cash assets* .....	101,738 62	Matured interest coupons unpaid .....	39,180 00
U. S. Government over all requirements .....	1,068,161 67	Trustees land grant, mortgage, and uninvested sinking f'ds. ....	1,022,882 29
Total cash and current assets .....	\$1,915,044 89	Miscellaneous .....	96,263 00
Balance—current liabilities .....	69,885 91		
Total .....	\$1,984,930 80	Total .....	\$1,984,930 80

\*Materials and supplies on hand, \$1,329,590 71.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## RECAPITULATION.

*A. For Mileage Owned by Road Making this Report.*

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$67,275,500	\$67,275,500	1,348.58	\$49,886 17
Bonds .....	59,883,000	59,883,000	1,348.58	44,409 49
United States subsidy bonds .....	27,855,680	27,855,680	860.66	32,368 49
Totals .....	\$155,014,180	\$155,014,180	1,348.58	\$114,946 22

Capital stock and mortgages cover railroad telegraph lines, rolling stock, ferry, and river steamers; also, lands granted by the United States. (Amount on each cannot be separated.)

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of which are included in the Income Account.*

(Reported by Southern Pacific Company, lessee.)

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

(Not included in operating expenses.)

Item.	Charged to Income Acct. as Permanent Improvements During Year.	Charged to Construction or Equipment During Year.
Construction:		
Right of way .....	\$588 15	-----
Other real estate .....	5,348 50	*\$2,000 00
Fences .....	3,312 32	-----
Grading .....	12,679 05	13,802 32
Bridges and trestles .....	25,855 81	-----
Other superstructure .....	12,997 96	-----
Buildings, furniture, and fixtures .....	85,612 08	-----
Shop machinery and tools .....	26,708 28	-----
Sidings and yard extensions .....	63,616 59	-----
Other items .....	3,054 08	85,073 93
Total construction .....	\$237,772 82	\$96,876 25
Equipment:		
Locomotives .....	*419 13	-----
Totals .....	\$237,353 69	\$96,876 25

\*Credit.

Total cost of construction, equipment, etc., to June 30, 1895, \$171,214,972 55 (impossible to show details); total cost to June 30, 1896, \$171,311,848 80; cost per mile, \$127,031 27.

Operating expenses reported by Southern Pacific Company, lessee.

Total cost of construction and equipment covers cost of ferry and river steamers, etc. The amount per mile of road cannot be correctly stated.

## INCOME ACCOUNT.

Income from lease of road .....		\$4,287,630 41
Dividends on stocks owned .....	\$128 15	
Interest on bonds owned .....	8 60	
Miscellaneous income, less expenses .....	820,988 25	
Income from other sources .....		821,120 00
Total income .....		\$5,088,750 41
Deductions from income:		
Interest on funded debt accrued .....	\$66,264 70	
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	3,315,565 00	
Taxes on subsidy lands .....	90,285 11	
Permanent improvements .....	237,353 69	
Other deductions .....	1,080,622 61	
Total deductions from income .....		4,780,091 11
Net income .....		\$298,659 30
Other payments from net income .....		697,011 82
Deficit from operations of year ending June 30, 1896 .....		\$398,352 52
Surplus on June 30, 1895 .....		2,447,499 94
Surplus on June 30, 1896 .....		\$2,049,147 42
Other deductions:		
Sinking funds, company .....		\$235,000 00
Land Department expenses .....		197,232 58
United States Thurman Act requirements .....		648,390 03
		\$1,080,622 61
Other payments from net income (carried to special income accounts):		
Earnings of company's sinking funds .....		\$511,059 69
Land receipts, applicable to redemption of land bonds .....		185,952 13
		\$697,011 82

## EARNINGS FROM OPERATION.

(Reported by Southern Pacific Company, lessee.)

## RAILWAY AND OTHER STOCKS OWNED.

Name.	Par Value.	Rate.	Income or Dividend Received.	Valuation (nominal).
Newport News & Mississippi Valley Co.	\$1,680,000 00			\$168 00
Coos Bay (Oregon) Coal Company .....	3,449,500 00			3,449 50
Colfax & Forest Hill Commercial Co. ....	4,660 00	2.63%	\$128 15	2,330 00
Totals .....	\$5,134,160 00		\$128 15	\$5,947 50

## BONDS OWNED.

Name.	Par Value.	Income Received.	Valuation.
U. S. Government fractional Pacific Railroad bond .....	\$120 00	\$3 60	\$120 00
Ogden Union Railway and Depot Company .....	163,000 00		235,905 70
Totals .....	\$163,120 00	\$3 60	\$236,025 70

## RENTS RECEIVED FROM LEASE OF TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## MISCELLANEOUS INCOME.

Item.	Gross Income.	Net Miscellaneous Income.
Rental .....	\$10,000 00	\$10,000 00
Sundry .....	18,500 00	18,500 00
Wells, Fargo & Co., bonus .....	32,000 00	32,000 00
Earnings of sinking funds .....	511,059 69	511,059 69
Land sales, etc. ....	185,952 13	185,952 13
Interest on open accounts .....	63,476 43	63,476 43
Totals .....	\$820,988 25	\$820,988 25

## OPERATING EXPENSES.

(Reported by Southern Pacific Company, lessee.)

## RENTS PAID FOR LEASE OF ROAD, TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$171,214,972 55	Cost of road and cost of equipment .....	\$171,311,848 80	\$96,876 25	
5,947 50	Stocks owned .....	5,947 50		
236,025 70	Bonds owned .....	236,025 70		
99,066 40	Other permanent investments .....	98,733 93		\$332 47
1,975,586 02	Cash and current assets .....	1,915,044 89		60,491 13
1,515,991 05	Materials and supplies .....	1,329,530 71		186,460 34
11,413,982 09	Sinking funds, company .....	12,281,813 38	867,831 29	
15,228,269 46	Sundries .....	15,794,691 10	566,421 64	
\$201,689,790 77	Totals .....	\$202,973,636 01	\$1,283,845 24	
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$67,275,500 00	Capital stock .....	\$67,275,500 00		
60,024,000 00	Funded debt .....	59,883,000 00		\$141,000 00
27,855,680 00	U. S. subsidy bonds .....	27,855,680 00		
1,734,868 47	Current liabilities .....	1,984,930 80	\$250,062 33	
280,170 00	Accrued interest on funded debt not yet payable .....	278,052 50		2,117 50
17,296,894 69	Special income accounts:			
10,503,918 32	Sinking funds of company .....	18,042,954 38	746,059 69	
14,271,259 35	Redemption of land bonds .....	10,684,721 53	180,803 21	
2,447,499 94	U. S. requirements .....	14,919,649 38	648,390 03	
	Profit and loss .....	2,049,147 42		898,352 52
\$201,689,790 77	Totals .....	\$202,973,636 01	\$1,283,845 24	

## IMPORTANT CHANGES DURING THE YEAR.

The Central Pacific Railroad Company's first mortgage bonds, series A, amounting to \$2,995,000, matured July 1, 1895, and were extended to January 1, 1898, and the interest reduced to 5 per cent per annum.

Central Pacific land grant bonds, amounting to \$141,000, redeemed during the year.

## CONTRACTS, AGREEMENTS, ETC.

(Reported by Southern Pacific Company, lessee.)

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.
C. P. R. R. first mortgage, series A B C D	Sacramento to Nevada State line	139.76
E F G H K I	Nevada line to 5 miles W. Ogden	597.74
W. P. R. R. first mortgage, series A	San José to 100 miles E. Brighton	123.16
W. P. R. R. first mortgage, series B	Niles to Oakland	24.00
California & Oregon, series A B	Roseville to Oregon State line	296.50
San Joaquin Valley	Lathrop to Goshen	146.08
C. P. R. R. land grant	All lands granted by U. S. un- sold October 1, 1870.	
C. P. R. R. 50-year of 1939	All property owned by Company.	

All equipment and income also mortgaged.

Mortgages cover railroads, telegraph lines, rolling stock, etc. Amount on each cannot be reported separately.

## EMPLOYÉS AND SALARIES.

General officers, 8; total yearly compensation, \$14,500; average daily compensation, \$15 44.

Under terms of lease, the salaries of employés, other than general officers, are paid and reported by Southern Pacific Company, lessee.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

(Reported by Southern Pacific Company, lessee.)

## FREIGHT TRAFFIC MOVEMENT—(Company's material excluded.)

(Reported by Southern Pacific Company, lessee.)

## DESCRIPTION OF EQUIPMENT.

(Reported by Southern Pacific Company, lessee.)

## MILEAGE OF ROAD OPERATED—All Tracks.

(Reported by Southern Pacific Company, lessee.)

## MILEAGE OF LINE OWNED, BY STATES AND TERRITORIES—Single Track.

State or Territory.	Main Line.	Branches and Spurs.	Mileage Owned.	Iron Rails.	Steel Rails.
State of California	284.85	485.35	750.20	4.84	745.36
State of Nevada	448.73	-----	448.73	-----	448.73
State of Utah	149.65	-----	149.65	-----	149.65
Totals	863.23	485.35	1,348.58	4.84	1,343.74

## Not Included.

	Miles.
Trackage	5.64
Ferry	3.69
Leased	5.00
	14.33

## RENEWALS OF RAILS AND TIES.

(Reported by Southern Pacific Company, lessee.)



## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

(Reported by Southern Pacific Company, lessee.)

## ACCIDENTS TO EMPLOYEES, PASSENGERS, AND OTHERS.

(Reported by Southern Pacific Company, lessee.)

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles	Alignment.		
		Number of Curves.	Aggregate Length of Curved Line—Miles	Length of Straight Line—Miles
San José to five miles west of Ogden.....	863.23	1,136	282.00	581.23
Roseville to Oregon State line .....	296.58	695	99.67	196.91
Lathrop to Goshen .....	146.08	14	8.92	137.16
Oakland local lines .....	4.84	7	0.78	4.06
Alameda local lines .....	11.46	21	3.75	7.71
Oakland to Niles .....	28.39	9	7.05	19.34
	1,348.58			
Northern Railway: Sacramento to Brighton .....	5.64			
Union Pacific Railway: Ogden to five miles west .....	5.00			
Ferry San Francisco Bay: San Francisco to Oakland wharf .....	3.69			
Totals .....	1,362.91	1,882	402.17	946.41

Working Divisions or Branches.	Profile.							Leased Line and Ferry—Miles
	Length of Level Line—Miles	Ascending Grades.			Descending Grades.			
		Number	Sum of Ascents—Feet.	Aggr's Length of Ascending Grades—Miles	Number	Sum of Descents—Feet	Aggr's Length of Descending Grades—Miles.	
San José to five miles west of Ogden .....	145.32	1,164	14,546.10	410.32	844	10,401.00	307.59	
Roseville to Oregon State line .....	43.17	289	5,674.12	176.93	112	2,965.60	76.48	
Lathrop to Goshen .....	23.91	95	449.44	79.99	54	188.80	42.18	
Oakland local lines .....	1.86	2	21.00	2.05	1	23.00	0.93	
Alameda local lines .....	3.38	36	74.14	5.46	30	50.90	2.62	
Oakland to Niles .....	8.53	6	236.40	10.85	6	135.00	7.01	
Northern Railway: Sacramento to Brighton .....								5.64
Union Pacific Railway: Ogden to five miles west .....								5.00
Ferry San Francisco Bay: San Francisco to Oakland wharf .....								3.69
Totals .....	226.17	1,592	21,001.20	685.60	1,047	13,764.30	436.81	14.32

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Iron .....	41	7,335 ft. 2 in.	18 feet.	438 feet.
Wooden .....	73	16,324 ft. 7 in.	24 feet.	960 feet.
Totals .....	114	23,659 ft. 9 in.		
Trestles .....	944	86,702 ft. 9 in.	4 feet.	3,261 feet.
Tunnels .....	29	14,717 ft.	83 feet.	1,795 feet.

Item.	Number.	Height Above Surface of Rail.
Overhead highway crossings: Trestles .....	3	18 feet.
Tunnels .....	29	16½ feet.

Gauge of track, 4 feet 8½ inches; length, 1,348.58 miles.

## TELEGRAPH.

*A. Owned by Company Making this Report, but Operated by Another Company.*

Miles of Line.	Miles of Wire.	Name of Operating Company.
1,355.85	3,217.59	Operated by railroad employes, who report to the Western Union Telegraph Co. for commercial business.

*B. Owned by Another Company, but Located on Property of Road Making this Report.*

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
1,328.21	5,883.79	Western Union Telegraph Co.	Western Union Telegraph Co.

## CAR MILEAGE.

(Reported by Southern Pacific Company, lessee.)

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Isaac L. Requa, President, and W. M. Thompson, Secretary and Auditor of the Central Pacific Railroad Company, on our oath, do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

ISAAC L. REQUA,  
President.  
W. M. THOMPSON,  
Secretary and Auditor.

Subscribed and sworn to before me, this 9th day of October, 1896.

E. B. RYAN,  
Notary Public, in San Francisco, Cal

## SOUTHERN PACIFIC RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Southern Pacific Railroad Company.
2. Date of organization: November 3, 1892.
3. Under laws of what Government, State, or Territory organized: Under general laws of the State of California; also Acts of Congress of July 27, 1866 (14 U. S. Stats., p. 232), and March 3, 1891 (16 U. S. Stats., p. 573).
4. Names of constituent companies:

Name of Company.	Incorporated.	With what Company Consolidated.
San Francisco & San José R. R. Co. ....	Aug. 18, 1860	S. P. R. R. Co., Oct. 12, 1870; amended April 15, 1871.
Southern Pacific Railroad Company .....	Dec. 2, 1865	
Santa Clara & Pajaro Valley R. R. Co. ....	Jan. 2, 1868	
California Southern Railroad Company ....	Jan. 22, 1870	
Southern Pacific Railroad Company .....	Oct. 12, 1870	S. P. R. R. Co., Aug. 19, 1873.
Southern Pacific Branch Railroad Co. ....	Dec. 23, 1872	
Southern Pacific Railroad Company .....	Aug. 19, 1873	S. P. R. R. Co., Dec. 18, 1874.
Los Angeles & San Pedro R. R. Co. ....	Feb. 18, 1868	
Southern Pacific Railroad Company .....	Dec. 18, 1874	S. P. R. R. Co., May 14, 1888; amended, Nov. 3, 1892.
San José & Almaden Railroad Co. ....	Mar. 2, 1886	
Pajaro & Santa Cruz Railroad Co. ....	June 3, 1884	
Monterey Railroad Company .....	Jan. 24, 1880	
Monterey Extension Railroad Co. ....	Jan. 6, 1886	
Southern Pacific Branch Railway Co. ....	Apr. 12, 1886	
San Pablo & Tulare Railroad Co. ....	July 19, 1871	
San Pablo & Tulare Extension R. R. Co. ....	Feb. 7, 1887	
San Ramon Valley Railroad Co. ....	Apr. 25, 1888	
Stockton & Copperopolis Railroad Co. ....	Nov. 17, 1877	
Stockton & Tulare Railroad Co. ....	Dec. 2, 1887	
San Joaquin Valley & Yosemite R. R. Co. ....	Feb. 15, 1886	
Los Angeles & San Diego R. R. Co. ....	Oct. 10, 1876	
Los Angeles & Independence R. R. Co. ....	Jan. 8, 1875	
Long Beach, Whittier, & Los Angeles County Railroad Co. ....	Dec. 17, 1887	
Long Beach Railroad Company .....	Oct. 31, 1887	
Southern Pacific R. R. Extension Co. ....	Feb. 21, 1888	
Ramona & San Bernardino R. R. Co. ....	Apr. 25, 1888	

5. Authority for consolidation: General laws of the United States and of the State of California.

6. Name of original corporation, and laws under which it was organized: The Southern Pacific Railroad Company; under the General Railroad Act of the State of California, approved May 20, A. D. 1861.

7. Carrier operating the road of this company: Southern Pacific Company.

## ORGANIZATION.

Names of Directors: Chas. F. Crocker, H. E. Huntington, I. E. Gates, Chas. G. Lathrop, F. S. Dooty, N. T. Smith, J. L. Willcutt; all of San Francisco, except Mr. Gates, whose residence is New York.

Date of expiration of terms of Directors: April 14, 1897.

Number of stockholders at date of last election: 17.

Date of last meeting of stockholders for election of Directors: April 15, 1896.

Post Office address of general office: Room 21, Hobart Building, 532 Market Street, San Francisco.

Post Office address of operating office: Box 2328 P. O., San Francisco.

Address correspondence regarding this report to J. L. Willcutt, Secretary, 532 Market Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board.....	Chas. F. Crocker.....	Union Trust Building, N. E. Corner Mont- gomery and Market Streets, San Francisco.  ..... San Francisco. ..... New York.
President.....	Chas. F. Crocker.....	
Vice-President.....	H. E. Huntington.....	
Second Vice-President.....	I. E. Gates (New York).....	
Secretary.....	J. L. Willcutt.....	
Treasurer.....	N. T. Smith.....	
Attorney, or General Counsel.....	W. F. Herrin.....	
Chief Engineer.....	Wm. Hood.....	
Land Commissioner.....	Jerome Madden.....	
General Agent and Attorney.....	C. P. Huntington.....	

Other officers are reported by the Southern Pacific Company, lessee.

## PROPERTY LEASED OR OTHERWISE ASSIGNED FOR OPERATION.

Name of Road.	Miles.
Southern Pacific Railroad Company of California:	
Coast Division—San Francisco to Tres Pinos .....	100.490
Carnadero to Waldorf.....	198.994
Castroville to Lake Majella.....	19.554
Pajaro to Santa Cruz.....	21.200
Aptos to Monte Vista Extension.....	7.083
Hillsdale to Almaden.....	7.711
Baden to South San Francisco Station.....	1.513
San Bruno toward San Francisco.....	2.159
Southern Division—Alcalde to Yuma, A. T. ....	551.347
Florence to Santa Ana.....	27.820
Los Angeles (Clement Junction) to Port Los Angeles .....	17.866
Home Junction to Soldiers' Home.....	2.971
Burbank to Chatsworth Park.....	21.621
Los Angeles to San Pedro and Point Firmin Lighthouse .....	27.566
Near Martinez to Armona.....	193.275
Berenda to Raymond.....	21.000
Saugus to Ellwood.....	91.500
Thenard to Long Beach.....	4.023
Shorb to Pasadena.....	4.834
Shorb to Monrovia.....	10.750
Bassett to Covina.....	9.557
Studebaker to Whittier.....	5.914
Collis to Poso.....	117.429
Miraflores to Tustin.....	11.703
Ontario to Chino.....	5.780
Near Bakersfield to Asphalto.....	48.067
Declez to Declezville.....	2.552
Redlands Junction to Crafton.....	7.190
Fresno to Pollasky.....	24.112
Stockton Division—Stockton to Milton.....	25.820
Peters to Merced.....	59.262
Avon to San Ramon.....	20.269
Colorado Division—Mojave to Needles (Atlantic & Pacific Railroad Com- pany lease until sale).....	242.507
Total mileage.....	1,913.430

Leased to Southern Pacific Company for 99 years from March 1, 1885 (subsequently modified to include consolidated lines). Under this lease the lessee is to receive the rents and profits and pay the expenses of operation, maintenance, taxes, and interest on bonded and floating debt. The net profits remaining after payment of these expenses and charges to be apportioned to the Southern Pacific Railroad Company and other lessors upon agreed percentages.

Contract October 1, 1884, for sale of Atlantic & Pacific Railroad Company of road from Mojave to The Needles, 242.51 miles. Till completion of sale Atlantic & Pacific Railroad Company to pay an annual rental of \$436,266, payable semi-annually. This rental appears in the income account of the Southern Pacific Company, as the interest paid by that company as lessee of the Southern Pacific Railroad includes the interest on all the bonds issued on this road.

## CAPITAL STOCK.

The total par value of the capital stock authorized is \$90,000,000, divided into 900,000 shares of a par value of \$100 each. Total amount issued and outstanding is \$70,006,100. The manner of payment for capital stock was as follows:

	Number of Shares Issued.	Cash Realized.	Number Shares Issued and Outstanding.	Total Cash Realized.
Issued for cash—common.....	-----	-----	28,386	\$2,838,600 00
Issued for construction—common.....	16,032	\$1,603,200 00	657,575	65,757,500 00
Issued for bonds of consolidated roads.....	-----	-----	14,100	1,410,000 00
Totals.....	16,032	\$1,603,200 00	700,061	\$70,006,100 00

## FUNDED DEBT.

*Mortgage Bonds, Miscellaneous Obligations, and Income Bonds.*

Class of Bond or Obligation, and Date of Issue and Maturity.	Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized.
Southern Pacific Railroad 6 per cent first mortgage coupon:				
Series A—Apr. 1, 1875; Apr. 1, 1905.....	\$15,000,000	\$15,000,000	\$12,819,500	\$14,713,200 00
Series B—Oct. 1, 1875; Oct. 1, 1905.....	5,000,000	5,000,000	4,651,000	5,000,000 00
Series C—Oct. 1, 1876; Oct. 1, 1906.....	5,000,000	5,000,000	4,081,000	5,000,000 00
Series D—Oct. 1, 1876; Oct. 1, 1906.....	5,000,000	5,000,000	3,992,000	5,000,000 00
Series E—Apr. 1, 1882; Apr. 1, 1912.....	5,000,000	5,000,000	3,160,000	5,000,000 00
Series F—Apr. 1, 1882; Apr. 1, 1912.....	5,000,000	4,285,000	1,964,000	4,422,815 74
Series G.....	6,000,000	-----	-----	-----
Totals.....	*\$46,000,000	\$39,285,000	\$30,667,500	\$39,136,015 74
S. P. R. R. Co. 5 per cent first mortgage coupon:				
Oct. 1, 1888; Oct. 1, 1938.....	*\$38,000,000	12,932,000	698,000	12,811,400 00
S. P. R. R. Co. 5 per cent first mortgage coupon:				
Sept. 15, 1893; Nov. 1, 1957.....	89,293,000	16,883,000	16,883,000	16,883,000 00
S. P. Branch Ry. Co. first mortgage coupon:				
April 1, 1887; April 1, 1937.....	*9,000,000	3,578,000	3,578,000	3,578,000 00
Stockton & Copperopolis R. R. Co. first mortgage coupon:				
Jan. 1, 1875; Jan. 1, 1905.....	*500,000	500,000	500,000	500,000 00
	\$182,793,500			
Deduct.....	*93,500,000			
Totals.....	\$89,293,500	\$73,178,000	\$52,326,500	\$72,908,415 74

\* Authorized issue of bonds subject to retirement by mortgage of 1893.

*Interest (payable by lessees).*

Class of Bond.	Rate.	Payable.	Amount Accrued.	Amount Paid.
S. P. R. R. first mortgage coupon, series A to G, inclusive.....	6	Apr.—Oct. --	\$1,845,609 17	\$1,844,214 17
S. P. R. R. Co. first mortgage coupon, Oct. 1, 1888; Oct. 1, 1938.....	5	Apr.—Oct. --	41,133 34	41,050 00
S. P. R. R. Co. first mortgage coupon, Sept. 15, 1893; Nov. 1, 1957.....	5	May—Nov...--	822,485 90	796,525 00
S. P. Branch Ry. Co. first mortgage coupon, April 1, 1887; April 1, 1937.....	6	Apr.—Oct. --	214,680 00	217,500 00
Stockton & Copperopolis R. R. Co. first mortgage coupon, Jan. 1, 1875; Jan. 1, 1905.....	5	Jan.—July --	25,000 00	24,525 00
Totals.....			\$2,948,908 41	\$2,923,814 17

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds.....	\$73,178,000	\$52,326,500

Interest accrued during year, \$2,948,908 41; interest paid by lessee during year, \$2,923,814 17.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash.....	\$60,499 21	Loans and bills payable.....	\$16,000 00
Bills receivable.....	500 00	Audited vouchers and ac- counts.....	327,070 79
Other cash assets.....	50,579 07	Matured interest coupons un- paid.....	495 00
Total cash and current assets.....	\$111,578 28	Miscellaneous.....	429,765 71
Balance—current liabilities.....	661,753 22	Total.....	\$773,331 50
Total.....	\$773,331 50		

## RECAPITULATION.

*A. For Mileage Owned by Road Making this Report.*

Account.	Amount Outstanding.	Miles.	Amount per Mile of Line.
Capital stock.....	\$70,006,100 00	1,913.43 {	\$36,586 70 27,346 96
Bonds.....	52,326,500 00		
Totals.....	\$122,332,600 00	1,913.43	\$63,933 66

Capital stock and mortgage cover railroad and telegraph lines, rolling stock, etc.; also lands granted by the United States. The amount on each cannot be separated.

*B. For Mileage Operated by Road Making this Report (trackage rights excluded), the Operations of which are Included in the Income Account.*

(Reported by Southern Pacific Company, lessee.)

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.
Construction:	
Right of way.....	\$3,343 21
Other real estate.....	287,922 61
Fences.....	10,306 96
Grading, and bridge and culvert masonry.....	11,536 31
Bridges and trestles.....	24,841 60
Beaumont to Palm Springs.....	3,150 14
Second track.....	81,532 24
Other superstructure.....	3,928 16
Buildings, furniture, and fixtures.....	88,619 56
Shop machinery and tools.....	7,079 23
Telegraph line.....	5,271 67
Sidings, yard extensions, and spurs.....	123,341 07
Road built by contract.....	3,017,842 50
Other items.....	1,330 64
Total construction.....	\$3,670,043 90
Equipment:	
16 locomotives.....	\$176,057 40
1 funeral car ("Woodlawn").....	4,774 76
9 sleeping, parlor, and dining cars.....	97,113 81
350 fruit cars.....	146,938 21
Total equipment.....	\$424,884 18
Total cost construction, equipment, etc. ....	\$4,094,928 08
Total cost to June 30, 1895.....	\$130,182,264 98
Total cost to June 30, 1896.....	134,277,193 08
Cost per mile (1,913.43 miles).....	70,176 17

The expenses during the year included in operating expenses, and those charged to income account as permanent improvements, reported by Southern Pacific Company, lessee. Owing to consolidation, etc., it is impossible to state details.

## INCOME ACCOUNT.

Income from lease of road.....		\$3,865,717 07
Miscellaneous income, less expenses.....		def. 136,415 73
Total income.....		\$3,729,301 34
Deductions from income:		
Salaries and maintenance of organization.....	\$27,071 08	
Interest on funded debt accrued.....	2,948,908 40	
Taxes (on land).....	27,949 81	
Total deductions from income.....		3,003,929 29
Net income.....		\$725,372 05
Other payments from net income (sinking fund).....	\$100,000 00	
Set over to special income accounts:		
Income for sinking fund.....	\$166,339 46	
Income from land sales (decrease).....	259,687 89	
	93,348 43	
Total.....	\$6,651 57	6,651 57
Deficit from operations of year ending June 30, 1896.....		\$718,720 48
Surplus on June 30, 1895.....		1,861,619 36
Surplus on June 30, 1896.....		\$2,580,339 84

## EARNINGS FROM OPERATION.

(Reported by Southern Pacific Company, lessee.)

## REPORT OF SOUTHERN PACIFIC RAILROAD COMPANY.

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## RENTS RECEIVED FROM LEASE OF TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## MISCELLANEOUS INCOME.

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Income from land sales for redemption of bonds .....	*\$259,687 89	-----	*\$259,687 89
Income for sinking funds .....	166,339 46	-----	166,339 46
Expenses of Land Department .....	-----	\$43,067 30	*43,067 30
Totals .....	*\$93,338 43	\$43,067 30	*\$136,415 73

\*Decrease.

## OPERATING EXPENSES.

(Reported by Southern Pacific Company, lessee.)

## RENTS PAID FOR LEASE OF ROAD, TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$130,182,264 98	Cost of road and cost of equipment .....	\$134,277,193 06	\$4,094,928 08	
3,418,885 80	Bills receivable and land sales .....	2,980,301 43	-----	\$438,584 37
30,861 39	Cash and current assets .....	111,578 28	80,716 89	
1,544,754 21	Sinking funds .....	1,627,991 15	83,236 94	
\$135,176,766 38	Totals .....	\$138,997,063 92	\$3,820,297 54	-----
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$68,402,900 00	Capital stock .....	\$70,006,100 00	\$1,603,200 00	
50,923,500 00	Funded debt .....	52,326,500 00	1,403,000 00	
584,607 01	Current liabilities .....	773,331 50	188,724 49	
11,783,467 66	Income from land sales for redemption of bonds .....	11,523,780 77	-----	\$259,686 89
1,620,672 35	Income for sinking funds of the company .....	1,787,011 81	166,339 46	
1,861,619 36	Profit and loss .....	2,580,339 84	718,720 48	
\$135,176,766 38	Totals .....	\$138,997,063 92	\$3,820,297 54	-----

## IMPORTANT CHANGES DURING THE YEAR.

- Extensions of Road put in Operation:
 

Near San Luis Obispo to Guadalupe .....	24.900 miles.
Shorb to Pasadena .....	4.834 miles.
Guadalupe to Lake .....	3.399 miles.
Shorb to Monrovia, and extension .....	10.750 miles.
(Woyden) Bassett to Covinae .....	9.557 miles.
- Decrease in Mileage: None.
- Important Physical Changes: None.
- Leases Taken: None. Leases surrendered: None.
- Consolidations and Reorganizations Effected: None.



6 and 7. *New stock and bonds issued for Road:*

		Stock.	Bonds.
Near San Luis Obispo to Guadalupe.....	24.900 miles	\$747,000	\$747,000
Shorb to Pasadena .....	4.834 miles		
Shorb to Monrovia .....	10.498 miles	460,000	345,000
Guadalupe to Lake .....	3.399 miles		
Extension from Monrovia .....	.252 miles	109,500	108,000
Woyden to Covina.....	7.557 miles	286,700	215,000
For real estate .....			250,000
In exchange for 5 per cent bonds of 1888 .....			749,000
		\$1,603,200	\$2,414,000

8. *Other important financial changes:* None.

## CONTRACTS, AGREEMENTS, ETC.

(Reported by Southern Pacific Company, lessee.)

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.
Southern Pacific Railroad Company first mortgage 6 per cent (coupon) bonds .....	San Francisco to Tres Pinos .....	100.490
	Huron to east bank Colorado River, near Yuma .....	530.790
	Los Angeles to San Pedro .....	24.650
	Carnadero to San Miguel .....	125.993
	Mojave to Needles .....	242.507
	Huron to Alcalde .....	20.559
	Hillsdale to Almaden .....	7.711
	Pajaro to Santa Cruz .....	21.200
	Aptos to New Monte Vista .....	7.083
	Castroville to Lake Majella .....	19.554
	Martinez to Armona .....	193.275
	Avon to San Ramon .....	20.269
	Collis to near Poso .....	117.429
	Peters to Merced .....	59.262
	Berenda to Raymond .....	21.000
	Florence to Santa Ana .....	27.820
	Miraflores to Tustin .....	11.703
Southern Pacific Railroad Company first mortgage 5 per cent (coupon) bonds .....	Los Angeles (Clement Junction) to Port Los Angeles .....	17.866
	Home Junction to Soldiers' Home .....	2.971
	Burbank to Chatsworth Park .....	21.621
	Studebaker to Whittier .....	5.914
	Thenard to Long Beach .....	4.023
	Shorb to Pasadena .....	4.834
	Shorb to Monrovia and Extension .....	10.750
	Santa Margarita to Lake .....	45.199
	Ontario to Chino .....	5.780
	Near Bakersfield to Asphalto .....	48.057
	Bassett to Covina .....	9.557
	Baden to South San Francisco .....	1.513
	San Bruno toward San Francisco .....	2.159
	Declez to Declezville .....	2.552
	Redlands Junction to Crafton .....	7.190
Southern Pacific Branch Railway Company first mortgage 6 per cent (coupon) bonds .....	Fresno to Pollasky .....	24.112
	San Pedro to Point Firmin Lighthouse .....	2.915
	Saugus N.W. to Ellwood .....	91.500
	San Miguel S.E. to Santa Margarita .....	27.802
Stockton & Copperopolis Railroad Company first mortgage 5 per cent (coupon) bonds .....	Stockton to Milton .....	25.820
	Total .....	1,913.430

Mortgages cover railroads, telegraph lines, rolling stock, etc.; also lands granted by the United States. The amount on each cannot be separated.

All equipment is mortgaged.

Income mortgaged: Sinking fund of \$100,000 per year, commenced 1882; also gross receipts from sales of land. Sinking fund of \$20,000 per year, from 1898 to 1912, and \$120,000 from 1913. Sinking fund of \$50,000 per year that commences 1897.

#### EMPLOYÉS AND SALARIES.

General officers, 3; total yearly compensation, \$10,200; average daily compensation (313 days), \$10 86.

Salaries of other employés reported by Southern Pacific Company.

#### PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

(Reported by Southern Pacific Company, lessee.)

#### FREIGHT TRAFFIC MOVEMENT.

(Reported by Southern Pacific Company, lessee.)

#### DESCRIPTION OF EQUIPMENT.

(Reported by Southern Pacific Company, lessee.)

#### MILEAGE.

##### A. Mileage of Road Operated—All Tracks.

(Reported by Southern Pacific Company, lessee.)

##### B. Mileage of Line Operated, by States and Territories—Single Track.

(Reported by Southern Pacific Company, lessee.)

##### C. Mileage of Line Owned, by States and Territories—Single Track.

State of California.	Main Line.	Line Constructed During Year.	Iron Rails.	Steel Rails.
Coast Division .....	358,704	28,299	11,920	346,784
Southern Division .....	1,206,868	25,141	2,902	1,203,966
Stockton Division .....	105,351	-----	13,900	91,451
Colorado Division .....	242,507	-----	-----	242,507
Totals .....	1,913,430	53,440	28,722	1,884,708

#### RENEWALS OF RAILS AND TIES.

(Reported by Southern Pacific Company, lessee.)

#### ACCIDENTS TO PERSONS.

(Reported by Southern Pacific Company, lessee.)

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

CHARACTERISTICS OF ROAD.												
Working Divisions or Branches.	Miles.	Alignment.			Profile.							
		No. of Curves...	Length Curved Line—Miles...	Length Straight Line—Miles...	Length of Level Line—Miles...	No. Ascending Grades .....	Sum of Ascents of Ascending Grades—Feet .	Length Ascending Grades—Miles .....	No. Descending Grades .....	Sum of Descents of Descending Grades—Feet...	Length Descending Grades—Miles .....	
San Francisco to Tres Pinos	100.490	70	14,316	86,174	19,708	32	1,241.19	50.403	27	724.93	30.379	
Carnadero to Waldorf	198.964	396	63,887	132,107	37,793	111	2,293.95	102.390	96	2,233.09	58.811	
Castroville to Lake Majella	19.554	46	6,593	12,961	4,228	24	431.90	8.741	23	351.70	6.585	
Pajaro to Santa Cruz	21.900	78	7,656	13,544	3,298	23	468.60	8,122	23	473.50	9.780	
Aptos to Monte Vista Extension	7.083	122	4,082	3,001	0,150	2	915.40	6.933				
Hillsdale to Almaden	7.711	33	2,590	3,121	1,892	11	200.30	5.819				
Baden to South San Francisco	1.513	3	0,523	0,990	0,012	2	10.53	0.340	12	37.40	1.161	
San Bruno to South San Francisco	2.169	5	1,050	1,109	0.329	3	13.11	0.802	13	18.30	0.928	
Alcalde to east bank of Colorado River, near Yuma	561.349	438	111,130	440,219	79,177	91	9,259.60	242.479	83	9,000.21	223.693	
Florence to Santa Ana	27.820	4	2,599	26,221	2,594	12	128.00	10.398	15	149.30	14.827	
Clement Junction (Los Angeles) to shore end of Port Los Angeles wharf	17.866	21	5,776	12,090	3,384	7	118.39	6.343	13	313.99	8.139	
Home Junction to Soldiers' Home	2.971	7	1,218	1,753		2	208.02	2.604	1	30.48	0.367	
Burbank to Chatsworth Park	21.621	14	2,780	18,941	5,415	17	369.85	14.860	10	28.90	1.326	
Los Angeles to San Pedro, and branch to Point Fermin.	27.665	36	6,399	21,166	3,322	6	113.47	2.430	10	352.77	21.813	
Near Martinez to Armona	193.275	32	15,170	178,105	59,083	175	680.30	80.783	143	461.44	53.409	
Berenda to Raymond	21.000	76	7,950	13,050	3,428	33	789.63	14.671	22	87.47	2.901	
Saugus to Ellwood	91.500	225	33,388	58,112	14,190	62	878.39	25.696	68	1,941.13	51.614	
Thehard to Long Beach	4.023	3	1,028	2,995	0,544	5	34.49	1.619	4	23.76	1.860	
Shorb to Pasadena	4.834	7	1,396	3,438	1,155	2	371.44	4.699				
Shorb to Monrovia and extension	10.750	12	1,914	8,836	1,155	2	263.25	5.618	8	179.70	3.977	
Bassett to Covina	9.557	7	1,343	8,214	0,161	2	408.19	9.366				
Studebaker to Whittier	5.914	8	1,513	4,401	0,947	5	163.67	4.327	5	12.46	0.640	
Collis to Poso	117.429	37	12,590	104,839	26,536	122	715.84	52.523	100	524.06	39.370	
Miraflores to Tustin	11.703	19	2,708	8,995	1,582	9	174.80	4.849	8	219.23	5.272	
Ontario to Chino	5.780	4	0,816	4,964					1	269.24	5.780	
Bakersfield to Ashalto	48.057	23	6,297	41,760	15,134	55	885.43	14.204	47	107.40	18.719	
Declez to Declezville	2.552	6	0,999	1,553	0.307	2	62.51	0.749	1	17.49	1.496	
Redlands Junction to Crafton	7.190	11	2,257	4,393	0.265	2	623.38		1	107.40	0.530	
Fresno to Pollasky	24.112	48	4,799	19,313	4,363	32	217.60	13.496	18	150.03	6.265	

Stockton to Milton	25,820	24	3,799	22,021	2,058	9	384.70	21,801	7	17.70	1,861
Peters to Merced	59,962	37	8,236	51,026	19,218	33	422.06	22,694	37	352.44	17,360
Avon to San Ramon	20,289	31	5,659	14,610	3,493	12	498.24	15,345	7	41.96	1,431
Mojave to Needles	242,507	199	45,443	197,064	21,229	22	3,010.70	86,695	36	5,283.50	134,593
Totals	1,913,430	2,069	337,904	1,525,526	334,131	934	26,356.93	848,334	826	23,590.03	790,965

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Iron .....	29	6,179 feet.	23 feet.	1,462 feet 2 in.
Wooden .....	79	13,717 feet.	18 feet.	960 feet.
Totals .....	108	19,896 feet.		
Trestles .....	3,068	156,053 feet.	4 feet.	4,816 feet.
Tunnels .....	36	24,389 feet 2 in.	153 feet 9 in.	6,966 feet 6 in.

Item.	Number.	Height Above Surface of Rail.
Overhead highway crossings:		
Trestles .....	16	17 feet.
Overhead railway crossings:		
Trestles .....	7	18 feet.
Tunnels .....	36	18 feet.

Gauge of track, 4 feet 8½ inches; length, 1,913.43 miles.

## TELEGRAPH.

*A. Owned by Company Making this Report, but Operated by Another Company.*

Miles of Line.	Miles of Wire.	Name of Operating Company.
1,867.106	2,449.666	Operated by railroad employes, who report to Western Union Telegraph Co. for commercial business.

*B. Owned by Another Company, but Located on Property of Road Making this Report.*

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
1,156.53	4,615.11 50.00	Western Union Telegraph Co. Central Pacific R. R. Co.	Western Union Telegraph Co. Western Union Telegraph Co.

## CAR MILEAGE.

(Reported by Southern Pacific Company, lessee.)

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Chas. F. Crocker, President, and J. L. Willcutt, Secretary, of the Southern Pacific Railroad Company of California, on our oath do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

CHAS. F. CROCKER,  
President.  
J. L. WILLCUTT,  
Secretary.

Subscribed and sworn to before me, this 25th day of September, 1896.

E. B. RYAN,  
Notary Public in San Francisco, Cal.

## CALIFORNIA PACIFIC RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: California Pacific Railroad Company.
2. Date of organization: December 23, 1869.
3. Under laws of what Government, State, or Territory organized: General railroad laws of the State of California.
4. Names of constituent companies:

Name of Company.	Date of Incorporation.
California Pacific Railroad Company.....	Jan. 6, 1865
San Francisco & Marysville Railroad Company .....	Oct. 28, 1857
Sacramento & San Francisco Railroad Company .....	Dec. 2, 1864
California Pacific Extension Railroad Company .....	Apr. 5, 1869
Napa Valley Railroad Company.....	Mar. 2, 1864

5. Date of consolidation: December 23, 1869. Authority: General railroad laws of California.

6. Carrier operating the road of this company: Southern Pacific Company.

## ORGANIZATION.

Names of Directors.	Post Office Address.
T. H. Hubbard .....	23 Broad Street, New York.
N. T. Smith .....	San Francisco.
J. L. Willcutt .....	San Francisco.
C. P. Huntington .....	New York.
W. H. Crocker .....	San Francisco.
H. E. Huntington .....	San Francisco.
C. G. Lathrop .....	San Francisco.

Date of expiration of terms of Directors: April 15, 1897.

Number of stockholders at date of last election: 113.

Last meeting of stockholders for election of Directors: April 15, 1896.

Post Office address of general and operating offices: 4 Montgomery Street, San Francisco, Cal.

Name and address of officer to whom correspondence regarding this report should be addressed: G. T. Klink, Secretary, 4 Montgomery Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
President.....	T. H. Hubbard .....	New York City.
Vice-President.....	N. T. Smith .....	San Francisco.
Secretary .....	Geo. T. Klink .....	San Francisco.
Treasurer .....	J. L. Willcutt .....	San Francisco.

Other officers are reported by Southern Pacific Company, lessee.

## PROPERTY OPERATED.

(Reported by Southern Pacific Company, lessee.)

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## PROPERTY LEASED OR OTHERWISE ASSIGNED FOR OPERATION.

Name of Road.	Miles.
California Pacific Railroad—Vallejo to Sacramento.....	60.39
Davis to Knight's Landing .....	18.64
Napa Junction to Calistoga .....	34.48
	113.51
Ferry—Vallejo Junction to Vallejo .....	2.00
Total mileage .....	115.51

Operated by Southern Pacific Company under lease.

The lines and property of this company are leased to the Southern Pacific Company for fifty (50) years from November 1, 1886.

The lessee is to operate the property and receive all income therefrom. It is to pay the expenses of operation, maintenance, and taxes at its own expense, and is also to add to and better the property, which betterments and additions are to become a charge to this company at the termination of the lease, at their value.

Rental is also paid by the lessee at the rate of \$600,000 per annum, payable semi-annually on June 15th and December 15th of each year.

The terms of the agreement, including the amount of rental, are subject to change at the expiration of each period of five (5) years, upon demand of either party thereto, and any revision proposed is to be determined by arbitration.

While no instrument has been executed changing the terms of the lease, it has long been well understood between the officers of the respective companies that, in consequence of the changes of conditions and circumstances surrounding railroad business since the making of the lease, the terms of the original lease were unduly and unjustly burdensome upon the lessee, and should be extensively modified. It was also understood that certain extraordinary additions to the properties of the California Pacific Railroad Company, not contemplated when the original lease was entered into, including, among other things, the construction of a new bridge over the Sacramento River and a large increase in the quantity of rolling stock, amounting in all to a cost of \$375,000, were absolutely necessary to bring the road and its equipments up to a modern standard of efficiency. An informal understanding was therefore had between the parties that these improvements should be supplied by the lessee, subject to future adjustment.

A proposition is now pending between the Boards of Directors of the respective companies looking to a modification of the lease at the commencement of the next five-year period, so that the interests of both lessor and lessee may be fully protected, and the unsettled matters above referred to equitably adjusted between them.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$12,000,000, divided into 120,000 shares of the par value of \$100 each. The total amount issued and outstanding is \$12,000,000. No dividends were declared.

There were 120,000 shares issued; cash realized, \$12,000,000. Owing to consolidation, full details cannot be shown.

## FUNDED DEBT.

*Mortgage Bonds, Miscellaneous Obligations, and Income Bonds.*

Class of Bond or Obligation, and Date of Issue and Maturity.	Authorized Issue.	Amount Issued.	Amount Outstanding.
First mortgage bonds—January 1, 1867, to January 1, 1912 .....	\$2,250,000 00	\$2,250,000 00	\$2,232,000 00
Second mortgage bonds—August 1, 1871, to January 1, 1911 .....	1,600,000 00	1,600,000 00	1,595,000 00
Third mortgage bonds, Series A—July 1, 1875, to July 1, 1905 .....	2,000,000 00	2,000,000 00	1,998,500 00
Third mortgage bonds, Series B—July 1, 1875, to July 1, 1905 .....	1,000,000 00	1,000,000 00	1,000,000 00
Totals .....	\$6,850,000 00	\$6,850,000 00	\$6,825,500 00

The bonds were issued to contractors for construction; also to take up bonds of prior issue. Interest upon above bonds, as follows:

Class of Bond or Obligation.	Rate.	When Payable.	Interest Accrued.	Interest Paid.
First mortgage bonds .....	4½	Jan. and July.	\$100,440 00	\$101,317 50
Second mortgage bonds .....	4½	Jan. and July.	71,775 00	71,775 00
Third mortgage bonds, Series A. ....	6	Jan. and July.	120,000 00	123,585 00
Third mortgage bonds, Series B. ....	3	Jan. and July.	30,000 00	30,000 00
Totals .....			\$322,215 00	\$328,677 50

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$6,850,000 00	\$6,825,500 00

Interest accrued during year, \$322,215; interest paid during year, \$328,677 50.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including June 30, 1896.
Due from solvent companies and individuals..... \$1,213,494 77	Matured interest coupons unpaid..... \$168,805 00
Other cash assets ..... 117,193 90	Miscellaneous ..... 1,250 00
	Total current liabilities .... \$170,055 00
	Balance—cash assets ..... 1,160,633 67
Total ..... \$1,330,688 67	Total ..... \$1,330,688 67

Materials and supplies on hand, none.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$12,000,000 00	\$12,000,000 00	113.51 }	\$105,717 56
Bonds .....	6,825,500 00	6,825,500 00		60,131 26
Totals .....	\$18,825,500 00	\$18,825,500 00	113.51	\$165,848 82

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Total cost to June 30, 1895, \$19,536,444 03; total cost to June 30, 1896, \$19,882,093 24; cost per mile, \$175,157 19.

The total cost of construction and equipment includes real estate, etc. The cost per mile of road cannot be correctly stated. On account of consolidations, details as to total cost cannot be shown.

Expenditures during year (operating expenses included) reported by Southern Pacific Company, lessee.



## INCOME ACCOUNT.

Income from lease of road .....		\$800,000 00
Deductions from income:		
Salaries and maintenance of organization .....	\$52 50	
Interest on funded debt accrued .....	322,215 00	
Sinking fund .....	25,000 00	
Interest on open accounts .....	5,521 60	
Total deductions from income .....		352,789 10
Surplus from operations of year ending June 30, 1896 .....		\$247,210 90
Surplus on June 30, 1895 .....		1,970,016 01
Surplus on June 30, 1896 .....		\$2,217,226 91

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$19,536,644 03	Cost of road .....	\$19,882,093 24	\$345,449 21	
1,490,116 38	Cash and current assets ..	1,330,888 67		\$159,247 71
50,000 00	Sinking fund .....	75,000 00	25,000 00	
\$21,076,760 41	Totals .....	\$21,287,781 91	\$211,021 50	
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$12,000,000 00	Capital stock .....	\$12,000,000 00		
6,825,500 00	Funded debt .....	6,825,500 00		
231,244 40	Current liabilities .....	170,055 00		\$61,189 40
50,000 00	Income for sinking funds.	75,000 00	25,000 00	
1,970,016 01	Profit and loss .....	2,217,226 91	247,210 90	
\$21,076,760 41	Totals .....	\$21,287,781 91	\$211,021 50	

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.
First mortgage bonds .....	Vallejo to Sacramento .....	60.39
Second mortgage bonds .....	Napa Junction to Calistoga .....	34.48
Third mortgage bonds .....	Davis to Knight's Landing .....	18.64

Mortgage covers railroad lines, rolling stock, etc. The amount per mile of road cannot, therefore, be stated.

## EMPLOYÉS AND SALARIES.

General officers, 4. The salaries of other officers and employés, under terms of lease, are paid and reported by Southern Pacific Company, lessee.

## MILEAGE OF LINE OWNED—Single Track.

State.	Main Line.	Branches and Spurs.	Total Mile- age Owned.	Steel Rails— Miles.
State of California .....	60.39	53.12	113.51	113.51

Add 2 miles ferry to make operated mileage.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.		
		Number of Curves	Aggregate Length of Curved Line—Miles.....	Length of Straight Line—Miles.....
Vallejo to Sacramento.....	60.39	27	6.45	53.94
Napa Junction to Calistoga.....	34.48	34	7.30	27.18
Davis to Knight's Landing.....	18.64	6	.83	17.81
	113.51			
Ferry—Vallejo Junction to Vallejo.....	2.00			
Totals.....	115.51	66	14.58	98.93

Working Divisions or Branches.	Profile.					
	Length of Level Line—Miles.....	Number of Ascending Grades.	Sum of Ascents of Ascending Grades—Feet.....	Aggregate Length of Ascending Grades—Miles.....	Number of Descending Grades.	Sum of Descents of Descending Grades—Feet.....
Vallejo to Sacramento.....	16.32	40	454.5	21.63	41	436.9
Napa Junction to Calistoga.....	.78	65	492.1	21.85	35	205.2
Davis to Knight's Landing.....	4.87	14	50.9	7.17	13	60.4
Totals.....	21.97	119	997.5	50.65	89	702.5

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden.....	6	1,823 ft. 5 in.	64 feet.	330 ft. 5 in.
Trestles.....	148	17,986 feet.	6 feet.	3,251 feet.
Tunnels.....	1	400 feet.	400 feet.	400 feet.

Item.	Number.	Height Above Surface of Rail.
Overhead highway crossings:		
Trestles.....	1	17 ft. 3 in.
Tunnels.....	1	16 ft. 3 in.

Gauge of track, 4 feet 8½ inches; length, 113.51 miles; ferry, 2 miles.

TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
113.51	559.71	Western Union Telegraph Co.	Western Union Telegraph Co.

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, N. T. Smith, President, and George T. Klink, Secretary, of the California Pacific Railroad Company, on our oath do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

N. T. SMITH,  
Vice-President.  
GEORGE T. KLINK,  
Secretary.

Subscribed and sworn to before me, this 26th day of August, 1896.

E. B. RYAN,  
Notary Public.

## NORTHERN RAILWAY COMPANY.

### HISTORY.

1. Name of common carrier making this report: Northern Railway Company.
2. Date of organization: May 15, 1888.
3. Under laws of what Government, State, or Territory organized: State of California, general railroad laws.
4. Names of constituent companies:

Name of Company.	Date of Incorporation.
Northern Railway Company.....	July 19, 1871
Amador Branch Railroad Company.....	July 3, 1875
Berkeley Branch Railroad Company.....	Sept. 25, 1876
Vaca Valley & Clear Lake Railroad Company.....	Feb. 19, 1877
Sacramento & Placerville Railroad Company.....	Apr. 19, 1877
Sacramento Valley Railroad Company.....	Aug. 4, 1882
Folsom & Placerville Railroad Company.....	Sept. 29, 1876
San Joaquin & Sierra Nevada Railroad Company.....	Mar. 28, 1882
West Side & Mendocino Railroad Company.....	Sept. 2, 1886
Santa Rosa & Carquinez Railroad Company.....	Mar. 25, 1887
Shingle Springs & Placerville Railroad Company.....	May 9, 1887
Woodland, Capay & Clear Lake Railroad Company.....	July 7, 1887
Winters & Ukiah Railroad Company.....	Aug. 9, 1887

5. Date of consolidation: May 15, 1888. Authority: General railroad laws of California.
6. Carrier operating the road of this company: Southern Pacific Company.

### ORGANIZATION.

Names of Directors: Charles F. Crocker, C. G. Lathrop, N. T. Smith, W. H. Crocker, H. E. Huntington, all of San Francisco.

Date of expiration of terms of Directors: April 15, 1897.

Number of stockholders at date of last election: 55.

Last meeting of stockholders for election of Directors: April 15, 1896.

Post Office address of general and operating offices: 4 Montgomery Street, San Francisco.

Name and address of officer to whom correspondence regarding this report should be addressed: G. T. Klink, Secretary, 4 Montgomery Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	Charles F. Crocker .....	San Francisco.
Vice-President .....	C. G. Lathrop .....	San Francisco.
Secretary .....	G. T. Klink .....	San Francisco.
Treasurer .....	N. T. Smith .....	San Francisco.

Other officers are reported by Southern Pacific Company, lessee.

## PROPERTY OPERATED.

(Reported by Southern Pacific Company, lessee.)

## PROPERTY LEASED OR OTHERWISE ASSIGNED FOR OPERATION.

Name of Road.	Miles.
Northern Railway—West Oakland to Delaware Street .....	4.15
West Oakland to near Martinez .....	31.04
Benicia to Suisun .....	16.35
Woodland to Tehama .....	100.84
West Oakland to Berryman .....	5.39
Willows to Fruto .....	16.34
Elmira to Rumsey .....	51.39
Napa Junction to Santa Rosa .....	36.95
Sacramento to Placerville .....	59.73
Galt to Ione .....	27.21
Bracks to Valley Springs (narrow gauge) .....	39.85
Total rail .....	389.74
Ferry: Carquinez Straits—Port Costa to Benicia .....	1.00
Total mileage .....	390.74

All operated by Southern Pacific Company under lease.

The property of this company is leased to the Southern Pacific Company for ninety-nine (99) years from July 1, 1888.

The lessee is to operate the property, and out of the income derived therefrom is to pay the expenses of operation, maintenance, taxes, corporation expenses, and the interest on bonded and floating debt.

Of the net income remaining after such payments, so much thereof as shall amount to six (6) per cent on its capital stock is to be paid to this company, the balance to be retained by the lessee.

Betterments and additions to the leased property are to be made by the lessee, and the payments therefor become annually a charge to this company.

A majority of the capital stock of this company is held by the Southern Pacific Company, acquired in 1888.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$26,175,000, divided into 261,750 shares of \$100 each. The total amount issued and outstanding is \$12,896,000. No dividends were declared.

Owing to consolidations it is impossible to trace the manner of payment for stock. There were 12,896 shares issued; cash realized, \$12,896,000.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## FUNDED DEBT.

*Mortgage Bonds, Miscellaneous Obligations, and Income Bonds.*

Class of Bond or Obligation, and Date of Issue and Maturity. <sup>a</sup>	Authorized Issue.	Amount Issued.	Amount Outstanding.
First mortgage bonds—January 1, 1877, to January 1, 1907 .....	\$6,300,000 00	\$5,156,000 00	\$5,156,000 00
First mortgage bonds—October 1, 1888, to October 1, 1938 .....	21,000,000 00	4,751,000 00	4,751,000 00
Totals .....	\$27,300,000 00	\$9,907,000 00	\$9,907,000 00

Class of Bond or Obligation.	Rate.	When Payable.	Interest Accrued.	Interest Paid.
First mortgage bonds .....	6	Jan. and July.	\$309,360 00	\$309,360 00
First mortgage bonds .....	5	April and Oct.	237,550 00	237,550 00
Totals .....			\$546,910 00	\$546,910 00

Bonds delivered to contractors in payment for construction, and exchanged for bonds of consolidated companies. Interest payable by lessee.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$9,907,000	\$9,907,000

Interest accrued during year, \$546,910; interest paid (by lessee) during year, \$546,910.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including June 30, 1896.
Due from solvent companies and individuals .....	Miscellaneous .....
\$2,137,687 88	\$47,663 41
	Total current liabilities .....
	\$47,663 41
	Balance—cash assets .....
	2,090,024 47
Total .....	Total .....
\$2,137,687 88	\$2,137,687 88

Materials and supplies on hand, none.

## RECAPITULATION.

*A. For Mileage Owned by Road Making this Report.*

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$12,896,000 00	\$12,896,000 00	389.74	\$33,088 73
Bonds .....	9,907,000 00	9,907,000 00		
Totals .....	\$22,803,000 00	\$22,803,000 00	389.74	\$58,508 24

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of which are Included in the Income Account.*

(Reported by Southern Pacific Company, lessee.)

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.
Right of way .....	\$131 81
Other real estate .....	808 00
Grading, and bridge and culvert masonry .....	47 71
Rails .....	148 48
Buildings, furniture, and fixtures .....	2,114 45
Wharfing, etc. ....	5,545 83
Water supply .....	33 50
Other items .....	2,607 50
Total construction .....	\$11,432 28

Total cost construction, equipment, etc., to June 30, 1895, \$24,755,344 55; total cost to June 30, 1896, \$24,766,776 83; cost per mile, \$63,546 92.

The total cost of construction and equipment includes ferry steamers, etc., therefore the cost per mile of road cannot be correctly stated.

The expenditures charged to income account as permanent improvements, and those included in operating expenses, are reported by the Southern Pacific Company, lessee.

On account of consolidation, details cannot be shown.

## INCOME ACCOUNT.

Income from lease of road .....		\$359,056 43
Miscellaneous income, less expenses .....		154,327 62
Total income .....		\$513,384 05
Deductions from income:		
Salaries and maintenance of organization, paid by lessee..	\$546,910 00	
Other deductions .....	62,063 78	
Total deductions from income .....		608,973 78
Deficit .....		\$85,589 73
Deficit from operations of year ending June 30, 1896 .....		\$95,589 73
Surplus on June 30, 1895 .....		3,957,479 04
Surplus on June 30, 1896 .....		\$3,861,889 31

Other deductions: Sinking fund requirements, \$6,200 28.

## EARNINGS FROM OPERATION.

(Reported by Southern Pacific Company, lessee.)

## RENTS RECEIVED FROM LEASE OF TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## MISCELLANEOUS INCOME.

Item.	Gross.	Net.
Earnings of sinking funds .....	\$22,000 28	\$22,000 28
Interest on open account .....	132,327 34	132,327 34
Totals .....	\$154,327 62	\$154,327 62

## OPERATING EXPENSES.

(Reported by Southern Pacific Company, lessee.)

## REPORT ON BOARD OF RAILROAD COMMISSIONERS.

## RENTS PAID FOR LEASE OF ROAD, TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$34,755,344 55	Cost of road .....	\$24,766,776 83	\$11,432 28	
2,282,509 61	Cash and current assets ..	2,137,687 88		\$124,821 73
430,410 13	Sinking fund .....	432,410 41	62,000 28	
\$27,448,264 29	Totals .....	\$27,336,875 12		\$51,389 17

June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$12,886,000 00	Capital stock .....	\$12,886,000 00		
9,907,000 00	Funded debt .....	9,907,000 00		
65,463 13	Current liabilities .....	47,663 41		\$17,799 72
622,322 12	Income for sinking fund ..	684,323 40	\$62,000 28	
3,957,479 04	Profit and loss .....	3,861,839 31		95,639 73
\$27,448,264 29	Totals .....	\$27,336,875 12		\$51,389 17

## CONTRACTS, AGREEMENTS, ETC.

(Reported by Southern Pacific Company, lessee.)

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.
First mortgage bonds of 1877 .....	West Oakland to near Martinez .....	31.04
	Benicia to Suisun .....	16.35
	Woodland to Tehama .....	100.84
	West Oakland to Delaware Street ..	4.15
	West Oakland to Port Costa (second track) .....	26.74
	Galt to Ione .....	27.21
	West Oakland to Berryman .....	5.39
First mortgage bonds of 1938 .....	Shell Mound to Berryman (second track) .....	1.54
	Sacramento to Placerville .....	59.73
	Napa Junction to Santa Rosa .....	36.95
	Willows to Fruto .....	16.84
	Elmira to Rumsey .....	51.39
	Bracks to Valley Springs .....	39.85

Mortgage covers railroad and telegraph lines, rolling stock, steamers, etc. The amount per mile of road cannot, therefore, be stated.

## EMPLOYÉS AND SALARIES.

Under terms of lease, salaries of all officials and employés are paid and reported by Southern Pacific Company, lessee.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

(Reported by Southern Pacific Company, lessee.)

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

(Reported by Southern Pacific Company, lessee.)

## DESCRIPTION OF EQUIPMENT.

(Reported by Southern Pacific Company, lessee.)

MILEAGE OF ROAD OPERATED—All Tracks.  
(Reported by Southern Pacific Company, lessee.)

## MILEAGE OF LINE OWNED, BY STATES AND TERRITORIES—Single Track.

State.	Main Line.	Branches and Spurs.	Mileage Owned.	Iron Rails.	Steel Rails.
State of California .....	148.23	241.51	389.74	35.48	354.26

Add 1 mile ferry to make operated mileage.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.		
		Number of Curves.	Aggregate Length of Curved Line—Miles.....	Length of Straight Line—Miles.....
West Oakland to near Martinez .....	31.04	49	14.20	16.84
Oakland, Sixteenth Street, to Berryman .....	5.39	7	.90	4.49
Oakland, Sixteenth Street, to Delaware Street .....	4.15	3	1.79	2.36
Benicia to Suisun .....	16.35	7	2.23	14.12
Woodland to Tehama .....	100.84	13	4.83	96.01
Willows to Fruto .....	16.84	48	5.76	11.08
Napa Junction to Santa Rosa .....	36.96	77	11.53	25.42
Elmira to Rumsey .....	51.39	70	9.54	41.85
Galt to Ione .....	27.21	28	4.85	22.36
Sacramento to Placerville .....	59.73	154	22.94	36.79
Bracks to Valley Springs .....	39.85	67	8.53	31.32
	389.74			
Ferry: Carquinez Straits—Port Costa to Benicia .....	1.00			
Totals .....	390.74	523	87.10	302.64

Working Divisions or Branches.	Profile.					
	Length of Level Line—Miles.....	Number of Ascending Grades..	Sum of Ascents of Grades—Feet ....	Aggregate Length of Ascending Grades—Miles ...	Number of Descending Grades.	Sum of Descents of Grades—Feet ....
West Oakland to near Martinez .....	16.68	14	61.9	6.93	15	66.1
Oakland, Sixteenth St., to Berryman .....	.65	3	246.6	4.43	3	2.8
Oakland, Sixteenth St., to Delaware St. ....	.73	4	17.3	1.87	4	15.1
Benicia to Suisun .....	13.11	12	8.0	1.74	14	11.0
Woodland to Tehama .....	18.83	60	485.1	52.10	50	319.9
Willows to Fruto .....	1.41	8	510.9	14.76	5	16.3
Napa Junction to Santa Rosa .....	6.41	31	545.3	16.88	33	446.5
Elmira to Rumsey .....	7.39	42	668.0	29.83	37	285.7
Galt to Ione .....	4.71	40	366.6	16.33	19	122.6
Sacramento to Placerville .....	2.68	139	2,639.4	44.38	50	698.1
Bracks to Valley Springs .....	6.80	21	696.9	31.27	8	34.4
Totals .....	79.40	374	6,246.0	221.02	238	2,018.5



## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden.....	19	3,964 feet.	56 feet.	1,072 feet.
Trestles.....	409	29,052 ft. 3½ in.	8 feet.	840 ft. 6 in.
Tunnels.....	3	1,313 ft. 6 in.	338 feet.	604 feet.

Item.	Number.	Height Above Surface of Rail.
Overhead railway crossings:		
Trestles.....	1	19
Tunnels.....	3	20

Gauge of tracks:  
 4 feet 8½ inches; length, 349.89 miles.  
 3 feet; length, 39.85 miles.

## TELEGRAPH.

*A. Owned by Company Making this Report, but Operated by Another Company.*

Miles of Line.	Miles of Wire.	Name of Operating Company.
238.83	295.54	Operated by railroad employes, who report to Western Union Telegraph Company for commercial business.

*B. Owned by Another Company, but Located on Property of Road Making this Report.*

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
228.72	982.88	Western Union Telegraph Co.	Western Union Telegraph Co.

STATE OF CALIFORNIA, }  
 County of San Francisco. } ss.

We, the undersigned, Chas. F. Crocker, President, and George T. Klink, Secretary of the Northern Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

CHAS. F. CROCKER,  
 President.  
 GEORGE T. KLINK,  
 Secretary.

Subscribed and sworn to before me, this 26th day of August, 1896.

E. B. RYAN,  
 Notary Public.

## SOUTH PACIFIC COAST RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: South Pacific Coast Railway Company.
2. Date of organization: May 21, 1887.
3. Under laws of what Government, State, or Territory organized: General railroad laws of State of California.
4. Names of constituent companies:

Name of Company.	Date of Incorporation.
Santa Cruz & Felton Railroad Company .....	Nov. 13, 1874
South Pacific Coast Railway Company .....	Mar. 29, 1876
Bay & Coast Railroad Company .....	May 2, 1877
Oakland Township Railroad Company .....	Jan. 7, 1881
San Francisco & Colorado River Railroad Company .....	Jan. 16, 1883
Felton & Pescadero Railroad Company .....	June 13, 1883
Almaden Branch Railroad Company .....	April 16, 1887

5. Date of consolidation: May 21, 1887. Authority: General railroad laws of California.
6. Carrier operating the road of this company: Southern Pacific Company.

## ORGANIZATION.

Names of Directors.	Post Office Address.
T. H. Hubbard .....	23 Broad Street, New York.
Chas. F. Crocker .....	San Francisco.
N. T. Smith .....	San Francisco.
H. E. Huntington .....	San Francisco.
Chas. G. Lathrop .....	San Francisco.
C. P. Huntington .....	23 Broad Street, New York.
R. S. Douty .....	San Francisco.

Date of expiration of terms of Directors: April 15, 1897.  
 Number of stockholders at date of last election: 10.  
 Last meeting of stockholders for election of Directors: April 15, 1896.  
 Post Office address of general and operating offices: 4 Montgomery Street, San Francisco.  
 Name and address of officer to whom correspondence regarding this report should be addressed: G. T. Klink, Secretary, 4 Montgomery Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	T. H. Hubbard .....	23 Broad Street, New York.
Vice-President .....	Chas. F. Crocker .....	San Francisco.
Secretary .....	Geo. T. Klink .....	San Francisco.
Treasurer .....	N. T. Smith .....	San Francisco.

Other officers are reported by Southern Pacific Company, lessee.

## PROPERTY OPERATED.

(Reported by Southern Pacific Company, lessee.)

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden.....	19	3,964 feet.	56 feet.	1,072 feet.
Trestles.....	409	23,052 ft. 3½ in.	8 feet.	840 ft. 6 in.
Tunnels.....	3	1,313 ft. 6 in.	338 feet.	604 feet.
Item.			Number.	Height Above Surface of Rail.
Overhead railway crossings:				
Trestles.....			1	19
Tunnels.....			3	20

## Gauge of tracks:

4 feet 8½ inches; length, 349.89 miles.

3 feet; length, 39.85 miles.

## TELEGRAPH.

*A. Owned by Company Making this Report, but Operated by Another Company.*

Miles of Line.	Miles of Wire.	Name of Operating Company.
238.83	295.54	Operated by railroad employes, who report to Western Union Telegraph Company for commercial business.

*B. Owned by Another Company, but Located on Property of Road Making this Report.*

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
228.72	982.88	Western Union Telegraph Co.	Western Union Telegraph Co.

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Chas. F. Crocker, President, and George T. Klink, Secretary of the Northern Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

CHAS. F. CROCKER,  
President.  
GEORGE T. KLINK,  
Secretary.

Subscribed and sworn to before me, this 26th day of August, 1896.

E. B. RYAN,  
Notary Public.

## SOUTH PACIFIC COAST RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: South Pacific Coast Railway Company.
2. Date of organization: May 21, 1887.
3. Under laws of what Government, State, or Territory organized: General railroad laws of State of California.
4. Names of constituent companies:

Name of Company.	Date of Incorporation.
Santa Cruz & Felton Railroad Company .....	Nov. 13, 1874
South Pacific Coast Railway Company .....	Mar. 29, 1876
Bay & Coast Railroad Company .....	May 2, 1877
Oakland Township Railroad Company .....	Jan. 7, 1881
San Francisco & Colorado River Railroad Company .....	Jan. 16, 1883
Felton & Pescadero Railroad Company .....	June 13, 1883
Almaden Branch Railroad Company .....	April 16, 1887

5. Date of consolidation: May 21, 1887. Authority: General railroad laws of California.
6. Carrier operating the road of this company: Southern Pacific Company.

## ORGANIZATION.

Names of Directors.	Post Office Address.
T. H. Hubbard .....	23 Broad Street, New York.
Chas. F. Crocker .....	San Francisco.
N. T. Smith .....	San Francisco.
H. E. Huntington .....	San Francisco.
Chas. G. Lathrop .....	San Francisco.
C. P. Huntington .....	23 Broad Street, New York.
R. S. Douty .....	San Francisco.

Date of expiration of terms of Directors: April 15, 1897.

Number of stockholders at date of last election: 10.

Last meeting of stockholders for election of Directors: April 15, 1896.

Post Office address of general and operating offices: 4 Montgomery Street, San Francisco.

Name and address of officer to whom correspondence regarding this report should be addressed: G. T. Klink, Secretary, 4 Montgomery Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	T. H. Hubbard .....	23 Broad Street, New York.
Vice-President .....	Chas. F. Crocker .....	San Francisco.
Secretary .....	Geo. T. Klink .....	San Francisco.
Treasurer .....	N. T. Smith .....	San Francisco.

Other officers are reported by Southern Pacific Company, lessee.

## PROPERTY OPERATED.

(Reported by Southern Pacific Company, lessee.)

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## PROPERTY LEASED OR OTHERWISE ASSIGNED FOR OPERATION.

Name of Road.	Miles.
South Pacific Coast Railway : San Francisco to Santa Cruz .....	77.80
Alameda Junction to Oakland, Fourteenth Street .....	1.80
Newark to Centerville .....	3.00
Campbells to New Almaden .....	9.60
Felton to Boulder Creek .....	7.30
Junction South Big Trees to Old Felton .....	1.70
	101.00
Ferry : San Francisco Bay—San Francisco to Alameda.....	3.00
Total mileage .....	104.00

Operated by Southern Pacific Company under lease.

The property of this company is leased to the Southern Pacific Company for fifty-five (55) years, from July 1, 1887.

Out of the income from the property the lessee is to pay the expenses of operation, maintenance, taxes, corporation expenses, interest on bonded and floating debt, betterments and additions, and all other charges.

The balance remaining after such payments is retained by, or the deficit, if any, is charged to, the lessee.

Majority of capital stock of this company acquired by the Southern Pacific, July 1, 1887.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$6,000,000, divided into 60,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$6,000,000. No dividends were declared.

Owing to consolidations it is impossible to trace the manner of payments. There were 6,000 shares issued and the total cash realized was \$6,000,000.

## FUNDED DEBT.

In July, 1887, first mortgage bonds to the amount of \$5,500,000 were issued and cash realized to the full amount. The entire issue is now outstanding. These bonds mature in 1937, and bear 4 per cent interest, payable semi-annually, in January and July. Interest to the amount of \$220,000 accrued during the year, and that amount was paid by the lessee.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$5,500,000 00	\$5,500,000 00

Interest accrued during year, \$220,000; interest paid during year, \$220,000.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$6,000,000 00	\$6,000,000 00	101	\$59,405 94
Bonds .....	5,500,000 00	5,500,000 00		54,455 45
Totals .....	\$11,500,000 00	\$11,500,000 00	101	\$113,861 39

Capital stock and bonds cover railroad, telegraph lines, rolling stock, ferry and transfer steamers, etc. Amount on each cannot be separated.

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

(Reported by Southern Pacific Company, lessee.)

## COST OF CONSTRUCTION, EQUIPMENT, ETC.

Expenditures for year are reported by Southern Pacific Company, lessee. Total cost of construction and equipment to June 30, 1896, \$11,500,000; cost per mile, \$113,861 89. Owing to consolidations it is impossible to show details. Total cost of construction and improvements includes ferry and transfer steamers; the amount per mile of road cannot, therefore, be correctly stated.

## INCOME ACCOUNT.

Income from lease of road, \$220,000. Interest on funded debt accrued, \$220,000. This company has no income, as its property is operated by lessee in consideration of receiving all revenue therefrom and paying all expenses in connection therewith.

## EARNINGS FROM OPERATION.

(Reported by Southern Pacific Company, lessee.)

## RENTALS RECEIVED.

(Reported by Southern Pacific Company, lessee.)

## OPERATING EXPENSES.

(Reported by Southern Pacific Company, lessee.)

## RENTS PAID FOR LEASE OF ROAD, TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.
\$11,500,000 00	Cost of road.....	\$11,500,000 00
June 30, 1895.	Liabilities.	June 30, 1896.
\$8,000,000 00	Capital stock.....	\$8,000,000 00
5,500,000 00	Funded debt.....	5,500,000 00
\$11,500,000 00	Total.....	\$11,500,000 00

## CONTRACTS, AGREEMENTS, ETC.

(Reported by Southern Pacific Company, lessee.)

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.
First mortgage bonds.....	San Francisco to Santa Cruz....	77.60
	Alameda Junction to Oakland, Fourteenth Street.....	1.80
	Newark to Centerville.....	3.00
	Campbells to New Almaden.....	9.60
	Felton to Boulder Creek.....	7.30
	Junction South Big Trees to Old Felton.....	1.70

Mortgage covers railroad, telegraph lines, rolling stock, ferry and transfer steamers. Amount of each cannot be separated.

REPORT OF BOARD OF RAILROAD COMMISSIONERS.

EMPLOYÉS AND SALARIES.

(Reported by Southern Pacific Company, lessee.)

PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

(Reported by Southern Pacific Company, lessee.)

FREIGHT TRAFFIC MOVEMENT.

(Reported by Southern Pacific Company, lessee.)

DESCRIPTION OF EQUIPMENT.

(Reported by Southern Pacific Company, lessee.)

MILEAGE OF ROAD OPERATED—All Tracks.

(Reported by Southern Pacific Company, lessee.)

MILEAGE OF LINE OWNED, BY STATES AND TERRITORIES—Single Track.

State.	Main Line.	Branches and Spurs.	Total Mileage Owned.	Iron Rails.	Steel Rails.
California .....	77.80	23.40	101	20.17	80.83

Add ferry (3 miles) to make operated mileage.

RENEWALS OF RAILS AND TIES, AND CONSUMPTION OF FUEL BY LOCOMOTIVES.

(Reported by Southern Pacific Company, lessee.)

ACCIDENTS TO PERSONS.

(Reported by Southern Pacific Company, lessee.)

CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.		
		Number of Curves.	Aggregate Length of Curved Line— Miles .....	Length of Straight Line—Miles .....
San Francisco to Santa Cruz .....	77.80	217	18.01	59.59
Alameda Junction to Oakland, Fourteenth Street .....	1.80	5	.45	1.35
Newark to Centerville .....	3.00	3	.50	2.50
Campbells to New Almaden .....	9.60	7	3.10	6.50
Felton to Boulder Creek .....	7.30	37	3.60	3.70
Junction South Big Trees to Old Felton .....	1.70	15	.76	.94
	101.00			
Ferry—San Francisco to Alameda .....	3.00			
Totals .....	104.00	284	26.42	74.58

## CHARACTERISTICS OF ROAD—Continued.

Working Divisions or Branches.	Profile.						
	Length of Level Line—Miles .....	Number of Ascending Grades..	Sum of Ascents of Ascending Grades—Feet .....	Aggregate Length of Ascending Grades—Miles .....	Number of Descending Grades.	Sum of Descents of Descending Grades—Feet.....	Aggregate Length of Descending Grades—Miles ...
San Francisco to Santa Cruz.....	28.98	20	910.0	27.70	20	910.0	20.92
Alameda Junction to Oakland, Fourteenth Street .....	1.18	1	58.9	.62	—	—	—
Newark to Centerville .....	2.61	3	7.8	.28	3	3.9	.13
Campbells to New Almaden .....	2.00	7	9.2	4.59	5	9.0	3.01
Felton to Boulder Creek .....	1.00	12	280.5	5.10	6	49.2	1.20
Junction South Big Trees to Old Felton .....	—	1	5.1	1.70	—	—	—
Totals.....	35.77	44	1,271.5	39.97	34	972.1	25.23

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Iron .....	1	212 feet.	212 feet.	212 feet.
Wooden .....	28	1,872 feet.	32 feet.	150 feet.
Totals .....	29	2,084 feet.		
Trestles .....	153	40,606 feet.	15 feet.	13,558 feet.
Tunnels .....	7	14,388 feet.	250 feet.	6,108 feet.
tem.			Number.	Height Above Surface of Rail.
Overhead highway crossings:				
Trestles .....			1	16 ft. 11 in.
Overhead railway crossings:				
Tunnels .....			7	12 ft. 8 in.

Gauge of track, 3 feet; length, 101 miles; ferry, 3 miles.

TELEGRAPH OWNED BY COMPANY MAKING THIS REPORT, BUT OPERATED BY ANOTHER COMPANY.

Miles of Line.	Miles of Wire.	Name of Operating Company.
151	185.40	Operated by railroad employes, who report to Pacific Postal Telegraph Cable Company for commercial business.

## CAR MILEAGE.

(Reported by Southern Pacific Company, lessee.)



STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Charles F. Crocker, Vice-President, and George T. Klink, Secretary, of the South Pacific Coast Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

CHARLES F. CROCKER,  
Vice-President.  
GEORGE T. KLING,  
Secretary.

Subscribed and sworn to before me, this 26th day of August, 1896.

E. B. RYAN,  
Notary Public.

## NORTHERN CALIFORNIA RAILWAY COMPANY.

### HISTORY.

1. Name of common carrier making this report: Northern California Railway Company.
2. Date of organization: September 3, 1888.
3. Under laws of what Government, State, or Territory organized: General railway laws of the State of California.
4. Name of original corporation, and laws under which it was organized: Chartered as California Northern Railroad Company, June 29, 1860. Transferred to Northern California Railroad Company, January 1, 1885. Transferred, January 28, 1889, to Northern California Railway Company.
5. Carrier operating the road of this company: Southern Pacific Company.

### ORGANIZATION.

Names of Directors: Charles F. Crocker, F. S. Douty, Charles E. Green, H. E. Huntington, Chas. G. Lathrop, all of San Francisco.  
Date of expiration of terms of Directors: January 4, 1897.  
Number of stockholders at date of last election: 6.  
Last meeting of stockholders for election of Directors: January 7, 1896.  
Post Office address of general office: San Francisco.  
Name and address of officer to whom correspondence regarding this report should be addressed: F. S. Douty, Secretary, San Francisco.

### OFFICERS.

Title.	Name.	Location of Office.
President .....	Charles F. Crocker .....	San Francisco.
Vice-President .....	H. E. Huntington .....	San Francisco.
Secretary and Treasurer .....	F. S. Douty .....	San Francisco.

Other officers are reported by Southern Pacific Company, lessee.

### PROPERTY OPERATED.

(Reported by Southern Pacific Company, lessee.)

### PROPERTY LEASED OR OTHERWISE ASSIGNED FOR OPERATION.

Northern California Railway, Oroville to Knight's Landing, 53.72 miles. Operated by Southern Pacific Company, under lease.  
Leased to the Southern Pacific Company, June 1, 1889, for term of forty years.

The lessee makes all expenditures; pays operating expenses, including betterments and interest on the funded debt, and provides a sinking fund for redemption of the mortgage bonds. The balance, after such payments, is for account of lessee.

The Southern Pacific Company owns a majority of the capital stock, acquired in 1889.

#### CAPITAL STOCK.

The total par value of authorized capital stock is \$1,280,000, divided into 12,800 shares of \$100 each. The total amount issued and outstanding is \$1,280,000. No dividends were declared.

There were 12,800 shares issued; cash realized, \$1,280,000.

#### FUNDED DEBT.

In 1889 first mortgage bonds to the amount of \$1,100,000 were authorized to be issued; amount issued and outstanding, \$1,074,000; cash realized upon amount issued, \$1,074,000. These bonds mature in 1929, and bear 5 per cent interest, payable semi-annually, in June and December. Interest to the amount of \$53,700 accrued during the year, which amount was paid.

#### RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$1,074,000 00	\$1,074,000 00

Interest accrued during the year, \$53,700; interest paid during the year, \$53,700.

#### RECAPITULATION.

##### A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$1,280,000 00	\$1,280,000 00	53.72	\$23,827 00
Bonds .....	1,074,000 00	1,074,000 00		19,993 00
Totals .....	\$2,354,000 00	\$2,354,000 00	53.72	\$43,820 00

##### B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

(Reported by Southern Pacific Company, lessee.)

#### COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

The expenditures during year charged to account of permanent improvements, and those included in operating expenses, reported by Southern Pacific Company, lessee. Owing to organizations, other details are not known to the present management.

Total cost of permanent improvements to June 30, 1896, \$2,354,000; cost per mile, \$43,820.

#### INCOME ACCOUNT.

Income from lease of road (interest on funded debt paid by lessee), \$53,700; deductions from income (accrued interest on funded debt), \$53,700.

The gross earnings of the road for the year ending December 31, 1895, did not suffice to meet the operating expenses, taxes, and fixed charges, by \$34,087 45, which amount was advanced by the lessee.

#### EARNINGS FROM OPERATION.

(Reported by Southern Pacific Company, lessee.)

#### RENTALS RECEIVED.

(Reported by Southern Pacific Company, lessee.)

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## OPERATING EXPENSES.

(Reported by Southern Pacific Company, lessee.)

## RENTS PAID FOR LEASE OF ROAD, TRACKS, YARDS, AND TERMINALS.

(Reported by Southern Pacific Company, lessee.)

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.
\$2,354,000 00	Cost of road and equipment .....	\$2,354,000 00
June 30, 1895.	Liabilities.	June 30, 1896.
\$1,280,000 00	Capital stock .....	\$1,280,000 00
1,074,000 00	Funded debt .....	1,074,000 00
\$2,354,000 00	Total .....	\$2,354,000 00

## CONTRACTS, AGREEMENTS, ETC.

(Reported by Southern Pacific Company, lessee.)

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.
First mortgage bonds .....	Oroville to Knight's Landing...	53.72

Amount of mortgage per mile of line, \$20,000. All equipment mortgaged.

## EMPLOYÉS AND SALARIES.

General officers, 3. Salaries of officers and employés paid and reported by Southern Pacific Company, lessee.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

(Reported by Southern Pacific Company, lessee.)

## FREIGHT TRAFFIC MOVEMENT.

(Reported by Southern Pacific Company, lessee.)

## DESCRIPTION OF EQUIPMENT.

(Reported by Southern Pacific Company, lessee.)

## ♦ MILEAGE OF ROAD OPERATED—All Tracks.

(Reported by Southern Pacific Company, lessee.)

## MILEAGE OF LINE OWNED, BY STATES AND TERRITORIES—Single Track.

State.	Main Line.	Steel Rails.
California .....	53.72	53.72

## RENEWALS OF RAILS AND TIES, AND CONSUMPTION OF FUEL BY LOCOMOTIVES.

(Reported by Southern Pacific Company, lessee.)

## ACCIDENTS TO PERSONS.

(Reported by Southern Pacific Company, lessee.)

## CHARACTERISTICS OF ROAD.

Working division, Oroville to Knight's Landing: Length, 53.72 miles; number of curves, 98; aggregate length of curved line, 9.06 miles; length of straight line, 44.66 miles; length of level line, 18.60 miles; number of ascending grades, 146; sum of ascents, 339.1 feet; aggregate length of ascending grades, 26.82 miles; number of descending grades, 71; sum of descents, 177.9 feet; aggregate length of descending grades, 8.90 miles.

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden .....	4	646 feet.	76 feet.	343 feet.
Trestles .....	44	17,498 feet.	15 feet.	11,150 feet.

Gauge of track, 4 feet 8½ inches; length, 53.72 miles.

## TELEGRAPH.

## A. Owned by Company Making this Report.

Miles of Line.	Miles of Wire.	Name of Operating Company.
27.70	27.70	Operated by employes of railroad company, who report to Western Union Telegraph Company for commercial business.

## B. Owned by Another Company, but Located on Property of Road Making this Report.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
25.90	25.90	N. D. Rideout, Marysville, Cal. ...	Sunset Telephone and Telegraph Company.

## CAR MILEAGE.

(Reported by Southern Pacific Company, lessee.)

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Chas. F. Crocker, President, and F. S. Douty, Secretary and Treasurer, of the Northern California Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing returns embrace all the financial operations of said company during the period for which said return is made.

CHAS. F. CROCKER,  
President.  
F. S. DOUTY,  
Treasurer.

Subscribed and sworn to before me, this 15th day of September, 1896.

E. B. RYAN,  
Notary Public, in San Francisco, Cal.

## SOUTHERN CALIFORNIA RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: Southern California Railway Company.
2. Date of organization: November 7, 1889.
3. Under laws of what Government, State, or Territory organized: Under the general statutes of California.
4. Names of constituent companies:

Names of Companies.	Date of Incorporation.
California Southern Railroad Company .....	Jan. 10, 1882
California Central Railway Company .....	May 20, 1887
Redondo Beach Railway Company .....	April 23, 1888
San Bernardino & Eastern Railway Company .....	Aug. 11, 1890
Santa Fe & Santa Monica Railway Company .....	April 4, 1892

5. Date and authority for each consolidation: Charters filed with the Secretary of State of California, November 7, 1889, and June 27, 1892.

## ORGANIZATION.

Names of Directors.	Post Office Address.
Aldace F. Walker .....	New York.
Edward P. Ripley .....	Chicago.
Geo. G. Haven .....	New York.
Edward N. Gibbs .....	New York.
K. H. Wade .....	Los Angeles.
D. Freeman .....	Los Angeles.
H. W. Hellman .....	Los Angeles.
T. D. Stimson .....	Los Angeles.
Simon Levi .....	San Diego.
Richard Egan .....	Capistrano.
L. C. Waite .....	Riverside.

Date of expiration of terms of Directors: November 5, 1896.

Total number of stockholders at date of last election: 323.

Last meeting of stockholders for election of Directors: November 7, 1895.

Post Office address of general and operating offices: Los Angeles.

Name and address of officer to whom correspondence regarding this report should be addressed: H. C. Whitehead, General Auditor, Chicago, Ill.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board .....	Aldace F. Walker .....	New York.
President .....	E. P. Ripley .....	Chicago.
First Vice-President .....	D. B. Robinson .....	Chicago.
Second Vice-President .....	Paul Morton .....	Chicago.
Secretary .....	L. C. Deming .....	New York.
Treasurer, Assistant Secretary, and Tax Collector .....	G. Halterhoff, Jr. ....	Los Angeles.
General Solicitor .....	E. D. Kenna .....	Chicago.
General Counsel .....	Victor Morrawetz .....	New York.
Solicitor .....	C. N. Sterry .....	Los Angeles.
Comptroller .....	John P. Whitehead .....	New York.
General Auditor .....	H. C. Whitehead .....	Chicago.
Auditor .....	John J. Byrne .....	Los Angeles.
General Manager .....	K. H. Wade .....	Los Angeles.
Chief Engineer .....	F. T. Perris .....	San Bernardino.
Superintendent .....	W. B. Beamer .....	Los Angeles.

## OFFICERS—Continued.

Title.	Name.	Location of Office.
Train Master.....	I. L. Hibbard.....	Los Angeles.
Superintendent of Telegraph.....	W. A. McGovern.....	Los Angeles.
Freight Traffic Manager.....	W. B. Biddle.....	Chicago.
Passenger Traffic Manager.....	W. F. White.....	Chicago.
General Freight Agent.....	F. C. Gay.....	Los Angeles.
Assistant General Freight Agent.....	Edward Chambers.....	Los Angeles.
General Passenger Agent.....	John J. Byrne.....	Los Angeles.
Assistant General Passenger Agent.....	H. K. Gregory.....	Los Angeles.
General Baggage Agent.....	P. Walsh.....	Topeka.
Division Baggage Agent.....	H. Isaacs.....	Los Angeles.

## PROPERTY OPERATED.

Name.	Terminals.	Miles of Line for Each Road.	Miles of Line for Each Class of Roads.
Southern California Railway.	1 A. { Barstow to National City .....	210.61	396.90
	San Bernardino to Los Angeles.....	61.91	
	Los Angeles to Los Angeles Junction.....	83.10	
	East Riverside to Orange .....	40.68	
	1 B. { Perris to San Jacinto .....	19.38	
	Escondido Junction to Escondido.....	21.23	
	San Bernardino to Mentone.....	12.50	
	Ballona Junction to Santa Monica Junction.....	12.46	
	Santa Monica Junction to Santa Mon- ica.....	5.42	
	Inglewood to Redondo Beach.....	10.81	
Elsinore, Pomona, & Los Angeles Ry.	Highland Junction to Mentone.....	12.88	94.68
	Southern Cal. Ry. Junction to Elsinore.....	2.20	2.20
	Total .....		493.18

## PROPERTY LEASED, OR OTHERWISE ASSIGNED FOR OPERATION.

The road of this company is controlled by the Atchison, Topeka & Santa Fe Railway Company, successor to the Atchison, Topeka & Santa Fe Railroad Company, by virtue of ownership of practically the entire issue of common stock and a majority of the preferred stock of this company, acquired prior to the consolidation, November 7, 1889, of the California Southern Railroad Company, the California Central Railway Company, and the Redondo Beach Railway Company (forming the Southern California Railway Company) under agreement for the construction of the road of said companies, dated January 7, 1885, May 24, 1887, and June 9, 1888, respectively.

## CAPITAL STOCK.

Description.	Shares Authorized.	Par Value of Shares.	Par Value Authorized.	Amount Issued and Outstanding.
Capital stock—Common .....	93,600	\$100 00	\$9,360,000 00	\$6,752,000 00
Preferred .....	80,000	\$100 00	8,000,000 00	6,072,000 00
Totals .....	173,600		\$17,360,000 00	\$12,824,000 00
Manner of Payment for Capital Stock.				Number Shares Issued.
Issued for consolidation—Common .....				67,520
Preferred .....				60,720
Total .....				128,240

Common stock issued share for share for stock of California Central Ry. Co., Redondo Beach Ry. Co., San Bernardino & Eastern Ry. Co., and Santa Fe & Santa Monica Ry. Co. Preferred stock issued share for share for stock of the California Southern Railroad Company.

No dividends were paid during the year.

## FUNDED DEBT.

Class of Bond or Obligation, and Date of Issue and Maturity.	Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
California Southern R. R. Co. first mortgage bonds—Jan. 12, 1882; Jan. 1, 1922	\$3,101,000	\$3,101,000	\$1,000	See remarks.
California Southern R. R. Co. first mortgage bonds—Jan. 1, 1886; March 1, 1926	2,106,000	2,106,000	2,056,000	\$2,056,000
California Central Ry. Co. first mortgage bonds—June 1, 1887; June 1, 1932	6,457,000	6,457,000	6,457,000	See remarks.
Redondo Beach Ry. Co. first mortgage bonds—June 1, 1888; June 1, 1932	270,000	270,000	270,000	See remarks.
Totals	\$11,934,000	\$11,934,000	\$8,784,000	
California Southern R. R. Co. income bonds—March 1, 1886; March 1, 1926	3,505,000	{ 3,497,000 *3,740	3,497,000 *3,740	{ See rem'ks.
Total mortgage bonds	\$11,934,000	\$11,934,700	\$8,784,000	
Total income bonds	3,505,000	3,500,740	3,500,740	
Grand totals	\$15,439,000	\$15,434,740	\$12,284,740	

Class of Bond or Obligation.	Rate.	Interest—When Payable.	Interest Accrued During Year.	Interest Paid During Year.
California Southern R. R. Co. first mortgage bonds				
California Southern R. R. Co. first mortgage bonds	6	Jan. and July	\$123,360	None.
California Central Ry. Co. first mortgage bonds	6	June and Dec.	152,880	None.
Redondo Beach Ry. Co. first mortgage bonds	6	June and Dec.	6,480	None.
Total			\$282,720	
California Southern R. R. Co. income bonds	6			Interest payable only if earned, in Mar. and Sept. Non-cumulative.

\* Scrip.

California Southern R. R. Co. first mortgage bonds of 1882 were sold in blocks, together with \$3,036,000 California Southern R. R. Co. capital stock, for \$3,324,000.

California Central Ry. Co. first mortgage bonds were issued, together with \$5,051,000 capital stock, under contract for construction of road.

The Redondo Beach Ry. Co. first mortgage bonds were issued, together with \$275,000 capital stock, for construction of the road of that company.

The California Southern R. R. Co. income bonds were issued in exchange for that company's first mortgage bonds of 1882, and in payment of accrued interest thereon.

The interest on \$2,548,000 California Central Ry. Co. first mortgage bonds and \$108,000 Redondo Beach Ry. Co. first mortgage bonds, only accrued; the balance of these issues participating in the income equally with the income bonds from the date of consolidation, November 1, 1889, in accordance with agreement of A. T. & S. F. Ry. Co. (owner of said bonds) with the security holders of the California Southern R. R. Co.

## EQUIPMENT TRUST OBLIGATIONS.

## A. General Statement.

Series or Other Designation.	Date of Issue.	Term.	Number of Payments.	Equipment Covered.
Equipment lease warrants .....	Dec. 20, 1893.	*	30	4 locomotives.

\*Two years and six months after date of delivery of the locomotives, which occurred on February 29, 1894.

## B. Statement of Amount.

Series or Other Designation.	Original Amount.	Amount Outstanding.
Equipment lease warrants .....	\$43,421 70	\$2,894 78

There was no cash paid on delivery of equipment. No interest outstanding.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Accrued During Year.
Mortgage bonds .....	\$11,934,000 00	\$8,784,000 00	\$282,720 00
Income bonds .....	3,500,740 00	3,500,740 00	None.
Equipment trust obligations .....	43,421 70	2,894 78	None.
Totals .....	\$15,478,161 70	\$12,287,634 78	\$282,720 00

No interest paid during year.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including June 30, 1896.
Cash .....	Loans and bills payable .....
Bills receivable .....	Audited vouchers and accounts .....
Due from agents .....	Wages and salaries .....
Due from solvent companies and individuals .....	Net traffic balances due to other companies .....
The A. T. & S. F. Ry. Co. ....	Matured interest coupons unpaid .....
Total cash and current assets .....	Total .....
Balance—current liabilities .....	
Total .....	

Materials and supplies on hand, \$108,750 07.

## RECAPITULATION.

For Mileage Owned by Road Making this Report and for Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of which are Included in the Income Account.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$12,824,000 00	..... All	490.98	\$28,119 19
Bonds .....	12,284,740 00	..... All		25,020 86
Equipment trust obligations .....	2,894 78	..... All		5 90
Current liabilities .....	2,301,439 50	..... All		4,687 44
Totals .....	\$27,413,074 28	..... All	490.98	\$55,833 39



## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Construction:			
Right of way .....	\$37,904 11	\$82,543 34	\$120,447 45
Fences .....	1,229 27	35,735 09	36,964 36
Grading and bridge and culvert masonry ..	13,075 85	1,494,884 77	1,507,960 62
Bridges and trestles .....	20,001 08	409,843 41	429,844 49
Rails .....	11,562 32	1,349,645 72	1,361,108 04
Ties .....	7,359 80	350,922 40	358,282 20
Buildings, furniture, and fixtures .....	10,050 94	379,909 83	389,960 77
Shop machinery and tools .....	1,795 12	154,639 65	156,434 77
Engineering expenses .....	1,488 67	151,379 35	152,868 02
Discount on securities sold for construction ..		3,629,022 75	3,629,022 75
Telegraph line .....	217 43	13,389 95	13,607 38
Wharfing, etc. ....		226,046 47	226,046 47
Sidings and yard extensions .....	17,086 60	223,071 10	240,157 70
Road built by contract .....		16,059,587 27	16,059,587 27
Other items .....	10,935 58	730,771 77	741,707 35
Total construction .....	\$132,706 77	\$25,291,292 87	\$25,423,999 64
Equipment:			
Locomotives .....	\$4,563 71	\$232,833 33	\$237,397 04
Passenger cars .....	130 94	66,743 03	66,873 97
Baggage, express, and postal cars .....		12,139 57	12,139 57
Combination cars .....		22,806 57	22,806 57
Freight cars .....	13 13	111,406 33	111,419 46
Other cars of all classes .....	4,493 18	22,960 72	27,453 90
Floating equipment .....	*115 00	37,898 03	37,783 03
Total equipment .....	\$9,085 96	\$506,787 58	\$515,873 54
Total cost construction, equipment, etc. ....	\$141,792 73	\$25,798,080 45	\$25,939,873 18

\* Credit.

Cost per mile for construction, \$51,551 16; cost per mile for equipment, \$1,046 17; total cost per mile for construction and equipment, \$52,597 17.

## INCOME ACCOUNT.

Gross earning from operations .....	\$2,164,508 23	
Less operating expenses .....	1,882,354 58	
Income from operation .....		\$282,153 65
Deductions from income:		
Interest on funded debt accrued .....	\$282,720 00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	*212 39	
Taxes .....	89,458 37	
Other deductions .....	10,139 03	
Total deductions from income .....		382,105 01
Deficit .....		\$99,951 36
Deficit from operations of year ending June 30, 1896 .....		\$99,951 36
Deficit on June 30, 1895 .....		203,645 86
Additions for year .....		\$303,597 22
Deficit on June 30, 1896 .....		10,659 39
		\$292,937 83

\* Credit.

## Additions for year:

Overcharge on account of taxes, year 1887 .....	\$11,685 59
Less uncollectible accounts charged off to profit and loss .....	1,026 20
	\$10,659 39

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue.....	\$763,911 00		
Less tickets redeemed .....		\$2,500 28	
Excess fares refunded.....		1,581 90	
Other repayments.....		1,351 93	
Total deductions .....		\$5,434 11	
Total passenger revenue .....			\$758,476 89
Mail.....			64,222 99
Express .....			43,884 96
Extra baggage and storage.....			23,895 08
Other items.....			4,274 52
Total passenger earnings.....			\$894,254 44
Freight revenue.....	\$1,347,384 67		
Less overcharge to shippers .....		\$108,258 23	
Other repayments .....		185 11	
Total deductions .....		\$108,443 34	
Total freight revenue.....			\$1,238,941 33
Other items.....			1,405 67
Total freight earnings.....			\$1,240,347 00
Total passenger and freight earnings.....			\$2,134,601 44
Other earnings from operation:			
Switching charges—balance.....			\$8,794 91
Telegraph companies.....			5,299 90
Rents not otherwise provided for.....			7,633 54
Other sources.....			8,178 44
Total other earnings.....			\$29,906 79
Total gross earnings from operation .....			\$2,164,508 23

## STOCKS OWNED.

Name.	Par Value.	Valuation.
Marine Railway and Dry Dock Company (146 shares) .....	\$14,600 00	\$15,257 00
San Antonio Water Company (6 shares) .....	600 00	65 80
Santa Ana Valley Irrigation Company (4¼ shares).....	22 50	9 00
Totals .....	\$15,222 50	\$15,331 80

No income or dividend received from stock.

## OPERATING EXPENSES.

Item.	Amount.
<b>Maintenance of way and structures:</b>	
Repairs of roadway .....	\$221,103 66
Renewals of rails .....	36,708 76
Renewals of ties .....	71,785 65
Repairs and renewals of bridges and culverts .....	75,287 54
Repairs and renewals of fences, road-crossings, signs, and cattle guards .....	3,213 48
Repairs and renewals of buildings and fixtures .....	18,901 30
Repairs and renewals of docks and wharves .....	12,360 11
Repairs and renewals of telegraph .....	1,821 01
Stationery and printing .....	295 17
Other expenses .....	16,345 17
<b>Total .....</b>	<b>\$457,827 85</b>
<b>Maintenance of equipment:</b>	
Superintendence .....	\$4,126 75
Repairs and renewals of locomotives .....	113,425 04
Repairs and renewals of passenger cars .....	39,643 96
Repairs and renewals of freight cars .....	40,220 61
Repairs and renewals of work cars .....	1,991 18
Repairs and renewals of shop machinery and tools .....	3,120 45
Stationery and printing .....	369 90
<b>Total .....</b>	<b>\$202,897 89</b>
<b>Conducting transportation:</b>	
Superintendence .....	\$40,393 96
Engine and roundhouse men .....	141,829 22
Fuel for locomotives .....	361,562 34
Water supply for locomotives .....	14,831 23
Oil, tallow, and waste for locomotives .....	7,576 53
Other supplies for locomotives .....	993 78
Train service .....	119,157 58
Train supplies and expenses .....	34,259 98
Switchmen, flagmen, and watchmen .....	35,132 16
Telegraph expenses .....	33,814 37
Station service .....	113,920 35
Station supplies .....	7,233 03
Car mileage—balance .....	51,913 49
Hire of equipment .....	82,947 81
Loss and damage .....	13,474 24
Injuries to persons .....	7,832 14
Clearing wrecks .....	1,794 62
Advertising .....	17,681 91
Outside agencies .....	26,826 42
Commissions .....	3,421 04
Stockyards and elevators .....	68 35
Rents of buildings and other property .....	4,038 70
Stationery and printing .....	9,232 22
Other expenses .....	9,173 89
<b>Total .....</b>	<b>\$1,138,109 36</b>
<b>General expenses:</b>	
Salaries of general officers .....	\$24,399 84
Salaries of clerks and attendants .....	35,693 42
General office expenses and supplies .....	4,157 26
Insurance .....	4,400 00
Law expenses .....	12,581 99
Stationery and printing (general offices) .....	2,257 75
Other expenses .....	29 22
<b>Total .....</b>	<b>\$83,519 48</b>
<b>Recapitulation of expenses:</b>	
Maintenance of way and structures .....	\$457,827 85
Maintenance of equipment .....	202,897 89
Conducting transportation .....	1,138,109 36
General expenses .....	83,519 48
<b>Grand total .....</b>	<b>\$1,882,354 58</b>
Percentage of operating expenses to earnings .....	86.96

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.
\$25,291,292 87	Cost of road .....	\$25,423,999 64	\$132,706 77
506,787 58	Cost of equipment .....	515,873 54	9,085 96
15,308 55	Stocks owned .....	15,381 80	23 25
1,283 27	Lands owned .....	1,283 27	
1,078,561 94	Cash and current assets .....	1,094,530 91	15,978 97
45,248 36	Equipment trusts .....	45,248 36	
77,288 09	Materials and supplies .....	108,760 07	10,838 60
43,342 80	Sundries .....	22,719 42	
203,645 86	Profit and loss .....	292,937 83	89,291 97
\$27,262,749 32	Totals .....	\$27,520,674 84	\$257,925 52

June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$12,824,000 00	Capital stock .....	\$12,824,000 00		
12,305,003 46	Funded debt .....	12,287,634 78		\$17,368 68
2,019,319 16	Current liabilities .....	2,301,439 50	\$282,120 34	
13,280 00	Accrued interest on funded debt not yet payable .....	13,280 00		
51,146 70	Sundry accrued liabilities not yet payable .....	43,998 47		7,148 23
50,000 00	Canceled bonds California Southern Railway Company .....	50,000 00		
	Rolling stock replacement fund .....	322 09	322 09	
\$27,262,749 32	Totals .....	\$27,520,674 84	\$257,92 52	

## IMPORTANT CHANGES DURING THE YEAR.

Line of Elsinore, Pomona & Los Angeles Railway, from junction of Southern California Railway to Elsinore, 2.20 miles opened for operation February 24, 1896.

## CONTRACTS, AGREEMENTS, ETC.

1. With Wells, Fargo & Co. Express.
2. With United States Government Post Office Department.
3. With Pullman Palace Car Company.
- 5, 6. Traffic contracts with Los Angeles Terminal Railway, Redondo Railway, Southern Pacific, Santa Ana & Newport Railway, and Pacific Coast Steamship Company.
7. With Western Union Telegraph Company.
8. With Sunset Telephone and Telegraph Company.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Mortgage Per Mile of Line.
Cal. So. R. R. Co. first mortgage (1886)	Barstow to National City.	210.61	\$9,761 20
	San Bernardino to Los Angeles		
	Los Angeles to Los Angeles Junction	251.26	25,698 48
	East Riverside to Orange.		
Cal. Cent'l Ry. Co. first mortgage	Perris to San Jacinto		
	Escondido Junction to Escondido		
	San Bernardino to Mentone		
	Ballona Junction to Santa Monica Junction		
Redondo Beach Railway Company first mortgage	Inglewood to Redondo Beach	10.81	24,974 10

All equipment is mortgaged.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers	8	2,928	\$36,600 00	\$12 50
Other officers	5	1,530	9,720 00	5 31
General office clerks	73	25,916	64,214 00	2 48
Station agents	3	27,472	56,826 00	2 07
Other station men	119	43,951	83,375 00	1 90
Enginemen	46	17,170	76,006 00	4 43
Firemen	50	17,441	46,796 00	2 68
Conductors	33	14,973	53,216 00	3 55
Other trainmen	79	29,058	71,275 00	2 45
Machinists	73	25,570	70,097 00	2 74
Carpenters	97	30,351	74,004 00	2 44
Other shopmen	74	32,417	59,815 00	1 85
Section foremen	67	24,016	52,263 00	2 18
Other trackmen	296	93,213	143,230 00	1 54
Switchmen, flagmen, and watchmen	34	13,536	34,899 00	2 58
Telegraph operators and dispatchers	11	3,652	10,552 00	2 89
All other employés and laborers	116	35,502	77,131 00	2 17
Totals (including general officers)	1,284	438,995	\$1,020,019 00	\$2 32
Less general officers	8	2,928	36,600 00	
Totals (excluding general officers)	1,276	436,067	\$983,419 00	\$2 26
Distribution of above:	88	30,674	\$110,534 00	\$3 60
General administration	466	153,671	274,736 00	1 79
Maintenance of way and structures	142	51,896	124,673 00	2 40
Maintenance of equipment	591	202,754	510,076 00	2 52
Conducting transportation				
Totals (including general officers)	1,284	438,995	\$1,020,019 00	\$2 32
Less general officers	8	2,928	36,600 00	
Totals (excluding general officers)	1,276	436,067	\$983,419 00	\$2 26

Forty-nine station agents are also telegraph operators.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue .....	775,763	
Number of passengers carried one mile .....	31,785,433	
Number of passengers carried one mile per mile of road .....	64,642	
Average distance carried—miles .....	40.97	
Total passenger revenue .....		\$758,476 89
Average amount received from each passenger .....		97.772
Average receipts per passenger per mile .....		2.386
Total passenger earnings .....		894,254 44
Passenger earnings per mile of road .....		1,818 66
Passenger earnings per train mile .....		93.754
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue .....	569,972	
Number of tons carried one mile .....	49,701,466	
Number of tons carried one mile per mile of road .....	101,078	
Average distance hauled of one ton—miles .....	87.20	
Total freight revenue .....		1,238,941 33
Average amount received for each ton of freight .....		2 17.369
Average receipts per ton per mile .....		2.493
Total freight earnings .....		1,240,347 00
Freight earnings per mile of road .....		2,522 52
Freight earnings per train mile .....		2 58.031
<b>Passenger and freight:</b>		
Passenger and freight revenue .....		1,997,418 22
Passenger and freight revenue per mile of road .....		4,062 19
Passenger and freight earnings .....		2,134,601 44
Passenger and freight earnings per mile of road .....		4,341 18
Gross earnings from operation .....		2,164,508 23
Gross earnings from operation per mile of road .....		4,402 00
Gross earnings from operation per train mile .....		1 50.886
Operating expenses .....		1,882,354 58
Operating expenses per mile of road .....		3,823 18
Operating expenses per train mile .....		1 31.218
Income from operation .....		282,153 65
Income from operation per mile of road .....		573 82
<b>Train mileage:</b>		
Miles run by passenger trains .....	925,877	
Miles run by freight trains .....	398,826	
Miles run by mixed trains .....	111,827	
Total mileage trains earning revenue .....	1,434,530	
Miles run by switching trains* .....	246,356	
Miles run by construction and other trains .....	52,175	
Grand total train mileage .....	1,733,061	
Mileage of loaded freight cars—north or east .....	2,681,349	
Mileage of loaded freight cars—south or west .....	2,167,538	
Mileage of empty freight cars—north or east .....	1,067,270	
Mileage of empty freight cars—south or west .....	1,424,610	
Average number of freight cars in train .....	17	
Average number of loaded cars in train .....	11	
Average number of empty cars in train .....	6	
Average number of tons of freight in train .....	41	
Average number of tons of freight in each loaded car .....	3.9	

\* Miles of switch-engines used for mileage of switching trains.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road— Tons.	Received from Connecting Roads— Tons.	Total Freight Tonnage.	Per Cent.
<b>Products of agriculture:</b>				
Grain .....	43,136	7,078	50,214	8.81
Flour .....	2,258	5,242	7,500	1.32
Other mill products .....	4,853	117	4,970	0.87
Hay .....	9,649	176	9,825	1.72
Fruit and vegetables .....	81,551	12,456	94,007	16.49
<b>Products of animals:</b>				
Live stock .....	3,994	3,432	7,426	1.30
Dressed meats .....	130	-----	130	0.02
Other packing-house products ..	625	952	1,577	0.28
Poultry, game, and fish .....	302	577	879	0.15
Wool .....	850	426	1,276	0.22
Hides and leather .....	405	67	472	0.08
<b>Products of mines:</b>				
Bituminous coal .....	625	60,122	60,747	10.66
Coke .....	-----	686	686	0.12
Ores .....	215	-----	215	0.04
Stone, sand, and other like articles .....	19,879	1,499	21,378	3.75
<b>Products of forest:</b>				
Lumber .....	10,765	95,923	106,688	18.72
<b>Manufactures:</b>				
Petroleum and other oils .....	11,240	12,179	23,419	4.11
Sugar .....	815	3,429	4,244	0.74
Iron, pig and bloom .....	-----	2,519	2,519	0.44
Iron and steel rails .....	-----	1,335	1,335	0.23
Other castings and machinery ..	956	5,808	6,764	1.19
Bar and sheet metal .....	1,242	6,826	8,068	1.42
Cement, brick, and lime .....	45,626	9,822	55,448	9.73
Agricultural implements .....	165	867	1,032	0.18
Wagons, carriages, tools, etc. ....	287	2,430	2,717	0.48
Wines, liquors, and beers .....	4,083	2,329	6,412	1.13
Household goods and furniture ..	5,637	4,882	10,519	1.85
Merchandise .....	23,790	22,372	46,162	8.10
Miscellaneous: Other commodi- ties not mentioned above .....	27,418	5,925	33,343	5.85
<b>Total tonnage .....</b>	<b>300,496</b>	<b>269,476</b>	<b>569,972</b>	<b>100.00</b>

## MILEAGE.

## A. Mileage of Road Operated—All Tracks.

Line in Use.	Main Line.	Branches and Spurs.	Line of Proprietary Companies.	Total Mileage Operated.	New Line Constructed During Year.	Steel Rails.
Miles of single track .....	396.30	94.68	2.20	493.18	-----	493.18
Miles of yard track and sid- ings .....	78.23	13.57	-----	91.80	2.67	91.80
<b>Total mileage operated ...</b>	<b>474.53</b>	<b>108.25</b>	<b>2.20</b>	<b>584.98</b>	<b>2.67</b>	<b>584.98</b>

## B. Mileage of Line Operated by States and Territories—Single Track.

State.	Main Line.	Branches and Spurs.	Line of Proprietary Companies.	Total Mileage Operated.	Steel Rails.
State of California .....	396.30	94.68	2.20	493.18	493.18

*C. Mileage of Line Owned by States and Territories—Single Track.*

State.	Main Line.	Branches and Spurs.	Total Mileage Operated.	Steel Rails.
State of California .....	396.30	94.68	490.98	490.98

## DESCRIPTION OF EQUIPMENT.

Item.	Added During Year.	Total at End of Year.	With Train Brake.	With Automatic Coupler.
Locomotives:				
Passenger.....		12	12	12
Freight.....		12	12	12
Switching.....		1	1	1
Total locomotives.....		25	25	
Cars in passenger service:				
Second-class cars.....	*1	4	4	4
Combination cars.....		11	11	11
Baggage, express, and postal cars.....		3	3	3
Total.....		18		
Cars in freight service:				
Box cars.....	*4	38	38	
Flat cars.....	*3	97	97	
Coal cars.....	*1	29	29	
Tank cars.....	10	25	25	
Total.....	*9	189		
Cars in company's service:				
Officers' and pay cars.....		1	1	1
Gravel cars.....		16	16	
Derrick cars.....		1	1	
Other road cars.....		7	7	
Total.....		25		
Total cars owned and in service .....	*9	232		

\* Deductions.

All rolling stock is equipped with the Westinghouse air-brake, the locomotives with link-and-pin couplers, and cars with the Miller automatic hook coupler.

## NEW RAILS LAID DURING YEAR.

Kind.	Tons.	Weight per Yard.	Average Price per Ton at Distributing Point.
Steel.....	14,247	40 lbs.	\$22 64
Steel.....	256,330	50 lbs.	24 15
Steel.....	356,330	56 lbs.	26 23
Steel.....	238,330	61 lbs.	24 08
Steel.....	536,330	66 lbs.	37 69
Totals .....	1,402,308		\$29 85



## NEW TIES LAID DURING YEAR.

Kind.	Number.	Average Price at Distributing Point.
Redwood cross.....	186,748	\$0 35
Cedar.....	9,835	0 50
Oregon pine bridge.....	5,364	0 43
Oregon pine switch.....	5,934	0 51
Totals.....	207,881	\$0 36

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Hard Wood—Cords.	Total Fuel Consumed—Tons.	Miles Run.	Average Lbs. Consumed per Mile.
Passenger.....	26,388,575	14	26,397,124	976,390	54.07
Freight.....	31,822,200	17½	31,835,888	598,643	106.35
Switching.....	5,389,848	3	5,390,850	246,356	43.76
Construction.....	1,446,200	1	1,447,200	56,388	51.33
Totals.....	*65,046,875	35½	65,069,173	1,877,777	69.31

\*Includes 23,471,800 tons oil, taken at 1¼ tons coal to 1 ton oil, equaling 29,342,375 tons coal.

Average cost of coal at distributing point, \$5 74 per ton; average cost of wood at distributing point, \$4 31 per cord.

## ACCIDENTS TO PERSONS.

Kind of Accident.	Trainmen Injured.	Switchmen, Flagmen, and Watchmen Injured.	Other Employees Killed.	Other Employees Injured.	Total Killed.	Total Injured.
Coupling and uncoupling.....	11	7	—	—	—	18
Falling from trains and engines.....	13	3	—	1	—	17
Overhead obstructions.....	2	—	—	—	—	2
Collisions.....	1	—	—	1	—	2
Derailments.....	3	—	—	—	—	3
Other train accidents.....	6	2	—	—	—	8
At stations.....	5	—	1	10	1	15
Other causes.....	19	6	—	39	—	64
Totals.....	60	18	1	51	1	129

Kind of Accident.	Passengers Injured.	Trespassers Killed.	Trespassers Injured.	Others Killed.	Others Injured.	Total Killed.	Total Injured.
Collisions.....	7	—	—	—	—	—	7
Derailments.....	9	—	—	—	—	—	9
At highway crossings.....	—	—	—	2	3	—	—
At stations.....	5	3	4	1	—	3	9
Other causes.....	3	5	5	—	—	5	8
Totals.....	24	8	9	3	3	8	33

*Other train accidents:*

Employés injured—	
Engineers scalded by water-glass breaking .....	3
Engineer's arm broken by engine side-rod breaking .....	1
Fireman scalded by crown sheet blowing out .....	1
Brakeman bruised by car of lumber shifting .....	1
Switchman bruised by blowing out of cylinder head .....	2
	<hr/> 8

*Other causes:*

Employés injured—	
Trainman—putting pin under car wheel .....	1
Trainman—ankle turned stepping off running board of engine .....	1
Trainmen—leg sprained in getting on moving train .....	3
Trainmen—cinder in eye .....	2
Trainmen—ankle sprained .....	2
Trainman—trunk fell on hand .....	1
Trainman—arm bruised, releasing brake .....	1
Trainman—feet frozen .....	1
Engineer—run large splinter in hand .....	1
Engineers—caught hand in lever .....	2
Engineer—hand burned in cleaning front end .....	1
Fireman—caught hand in fire door .....	2
Fireman—scalded by valve working open .....	1
Switchman—foot bruised in getting off car .....	2
Switchman—cinder in eye .....	1
Switchman—struck by piece of ice thrown at car .....	1
Switchman—bruised hand lifting draw bar .....	1
Switchman's back wrenched throwing switch .....	1
	<hr/> 25

*Other employés injured—*

Sectionmen, shopmen, and others injured by tools, etc. ....	39
---	----

*Passengers injured—*

Bruised by walking off moving train .....	1
Bruised by jumping off moving train .....	1
Fingers pinched in reclining chair .....	1
	<hr/> 3

*Trespassers killed—*

Tramps asleep on track .....	2
Tramps walking on track .....	3
	<hr/> 5

*Trespassers injured—*

Tramp asleep on track .....	1
Tramp fell off bridge .....	1
Woman fell off bridge .....	1
Walking too close to track .....	2
	<hr/> 5

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.		
		Number of Curves	Aggregate Length of Curved Line—Miles .....	Length of Straight Line—Miles. ....
National City to San Bernardino .....	129.61	292	39.10	90.51
San Bernardino to Barstow .....	81.00	154	20.30	60.70
San Bernardino to Los Angeles .....	61.91	64	10.70	51.21
Los Angeles to Los Angeles Junction .....	83.10	85	13.10	70.00
East Riverside to Orange .....	40.68	52	9.50	31.18
Perris to San Jacinto .....	19.38	4	1.90	17.48
Escondido Junction to Escondido .....	21.23	54	8.70	12.53
San Bernardino to Highland Junction, via Mentone ..	25.38	32	8.40	16.98
Ballona Junction to Santa Monica .....	17.88	24	2.80	15.08
Inglewood to Redondo Beach .....	10.81	20	3.90	6.91
Totals .....	490.98	781	118.40	372.58

## CHARACTERISTICS OF ROAD—Continued.

Working Divisions or Branches.	Profile.						
	Length of Level Line—Miles.....	Number of Ascending Grades.	Sum of Ascents of Ascending Grades—Feet.....	Aggregate Length of Ascending Grades—Miles.....	Number of Descending Grades.	Sum of Descents of Descending Grades—Feet.....	Aggregate Length of Descending Grades—Miles.....
National City to San Bernardino	28.01	35	2,691	78.80	17	1,631	24.80
San Bernardino to Barstow.....	8.50	11	2,854	29.10	30	1,824	43.40
San Bernardino to Los Angeles	3.90	12	749	17.70	12	1,585	40.31
Los Angeles to Los Angeles Junction.....	18.30	31	886	26.80	31	965	38.00
East Riverside to Orange.....	9.00	16	131	5.00	16	896	26.68
Perris to San Jacinto.....	2.28	7	213	12.20	6	127	4.90
Escondido Junction to Escondido.....	2.63	10	909	14.10	10	309	4.50
San Bernardino to Highland Junction, via Mentone.....	0.70	6	734	12.68	7	676	12.00
Ballona Junction to Santa Monica.....	5.38	5	113	3.10	6	267	9.40
Inglewood to Redondo Beach.....	2.71	4	147	6.10	3	62	2.00
Totals.....	81.41	137	9,427	203.58	138	8,332	205.99

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Iron.....	2	277 feet.	90 feet.	187 feet.
Wooden.....	10	1,872 feet.	32 feet.	492 feet.
Totals.....	12	2,149 feet.		
Trestles.....	570	57,800 feet.	7 feet.	1,725 feet.

Item.	Number.	Height Above Surface of Rail.
Overhead highway crossings:		
Bridges.....	3	20 ft.
Conduits.....	2	16 ft. 10 in.
Trestles.....	1	17 ft. 2 in.
Total.....	6	

Gauge of track, 4 feet 8½ inches; length, 490.98 miles.

## TELEGRAPH.

## A. Owned by Company Making this Report.

Miles of Line.	Miles of Wire.	Name of Operating Company.
492.50	633.70	Owned and operated jointly by this company and the Western Union Telegraph Company.

*B. Owned by Another Company, but Located on Property of Road Making this Report.*

Miles of Wire.	Name of Owner.	Name of Operating Company.
490.50	Western Union Telegraph Company.	Western Union Telegraph Company.

## CAR MILEAGE.

This company pays mileage for the use of cars to the following companies:

Armour Refrigerator Line.	Kansas City Dressed Beef Line.
Abernathy Furniture Co.	Kansas Manufacturers' Despatch.
American Refrigerator Transit Co.	Kingan Refrigerator Line.
Arms Palace Horse Car Co.	Libby, McNeill & Libby Refrigerator Line.
American Cereal Co. Despatch.	Live Poultry Transportation Co.
Blue Line.	Merchants' Despatch Transportation Co.
Burton Stock Car Co.	Michigan Car and Foundry Co.
California Fruit Transportation Co.	National Despatch Line.
California Fruit Express Co.	National Rolling Stock Co.
Consolidated Cattle Car Co.	Overland Fruit Despatch.
Canda Cattle Car Co.	Red Line.
Cudahy Refrigerator Line.	Swift Refrigerator Line.
Cleveland Provision Co.	Sante Fe Fruit and Refrigerator Line.
Continental Fruit Express.	St Louis Refrigerator Car Co.
Dold Packing Co.	Southwestern Refrigerator Despatch Line.
Empire Line.	Street's Western Stable Car Lines.
Great Eastern Line.	Southwestern Millers' Despatch Line.
Hammond Refrigerator Line.	St. Charles Car Co.
Heinz Pickle Refrigerator Line.	Union Tank Line.
Independent Refining Co.	Union Refrigerator Transit Co.
Interstate Ventilator-Refrigerator Car Co.	Venice Transportation Co.
International Fruit Dealers' Despatch.	Pullman Palace Car Co.

STATE OF ILLINOIS, }  
County of Cook. } ss.

We, the undersigned, E. P. Ripley, President, and H. C. Whitehead, General Auditor of the Southern California Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

E. P. RIPLEY, President.  
H. C. WHITEHEAD,  
General Auditor.

Subscribed and sworn to before me, this 28th day of September, 1896.

A. E. BLYTH,  
Notary Public.

## ATLANTIC &amp; PACIFIC RAILROAD COMPANY.

C. W. SMITH, Receiver.

LAW DEPARTMENT, C. N. STERRY, ATTORNEY AND SOLICITOR, }  
ALBUQUERQUE, NEW MEXICO.*To the Honorable Board of Railroad Commissioners of the State of California, San Francisco, California:*

GENTLEMEN: Pursuant to the understanding reached at a conference had between the Honorable Board of Railroad Commissioners and William C. Hazletine, the then Solicitor of the A. & P. R. R. Co., on the 10th day of February, 1887, I have the honor to submit attached hereto a report of C. W. Smith, Receiver of said railroad company, for the year ending June 30, 1886, which I have had compiled as nearly as possible in the form prescribed by your Board, from the report made by said Receiver to the Secretary of the Interior of the United States, as provided for in the Act of Congress incorporating said company.

In submitting this report I desire to call your attention to the position assumed by said company and said Receiver, which is, that said company being a Federal corporation, created by the supreme legislative authority of the nation, and being by that Act constituted a Federal agency, fully empowered to fix and determine its own rates of fares and freights, and being required to make an annual report to the Secretary of the Interior, according to a form prescribed by his department, we do not believe that we could be lawfully required or legally compelled to make any report to your Honorable Board; but being willing and anxious to aid you, so far as may be, in the performance of your duties, we take pleasure in handing you as full a report as can conveniently be compiled from the one furnished to the Secretary of the Interior, as aforesaid, hoping and believing it will give you generally such information as you may require; at the same time protesting that, in making this report, we do not do so under compulsion, but voluntarily, not intending thereby to waive any rights the Atlantic & Pacific Railroad Company, or C. W. Smith, as Receiver thereof, has or may have under its Federal charter, or otherwise, but hereby expressly reserving to it and him every right and immunity from State control, or otherwise, it may have as a national corporation, Federal agency, and interstate railroad.

Respectfully submitted.

C. N. STERRY,  
Attorney and Solicitor.

## HISTORY.

1. Name of common carrier making this report: Atlantic & Pacific Railroad Company (Western Division), C. W. Smith, Receiver.

2. Date of organization: July 27, 1866.

3. Under laws of what Government, State, or Territory organized: United States.

The property of the Atlantic & Pacific Railroad Company is in the hands of C. W. Smith, Receiver, duly appointed by the District Court of the Second Judicial District of New Mexico, the District Court of the Fourth Judicial District of Arizona, and the U. S. Circuit Court, Ninth Judicial District, Southern District of California.

## ORGANIZATION.

Correspondence regarding this report should be addressed to C. N. Sterry, Attorney and Solicitor, Albuquerque, New Mexico.

## OFFICERS.

Title.	Name.	Location of Office.
Receiver and General Manager.....	C. W. Smith .....	Albuquerque, N. M.
Agent for Receiver .....	Don A. Sweet .....	Albuquerque, N. M.
Treasurer .....	C. E. Crary .....	Albuquerque, N. M.
Attorney and Solicitor.....	C. N. Sterry .....	Albuquerque, N. M.
Auditor .....	W. E. Walsh .....	Albuquerque, N. M.
General Superintendent .....	A. G. Wells .....	Albuquerque, N. M.
Division Superintendent .....	John Denair .....	Needles, Cal.
Division Superintendent .....	C. R. Perry .....	Gallup, N. M.
Superintendent of Telegraph .....	A. Smith .....	Albuquerque, N. M.
General Freight Agent .....	Don A. Sweet .....	Albuquerque, N. M.
Assistant General Freight Agent.....	H. C. Bush .....	San Francisco.
General Passenger Agent .....	Don A. Sweet .....	Albuquerque, N. M.
Assistant General Passenger Agent .....	H. C. Bush .....	San Francisco.
General Baggage Agent .....	P. Walsh .....	Topeka.
Land Commissioner (Acting) .....	C. N. Sterry .....	Albuquerque, N. M.

## REPORT OF ATLANTIC AND PACIFIC RAILROAD COMPANY.

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## PROPERTY OPERATED.

Name.	Miles of Line.
A. & P. R. R., Western Division, Colorado River to near Needles.....	9.912
Colorado Division Southern Pacific R. R., near Needles to Mojave, Cal. ....	242.370
Total .....	252.282

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Permanent Improvements During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Fences .....		\$646 72	\$646 72
Grading, and bridge and culvert masonry .....		3,003 16	3,003 16
Bridges and trestles.....		6,814 50	6,814 50
Rails .....		45,308 83	45,308 83
Ties .....		816 05	816 05
Buildings, furniture, and fixtures.....	\$2,101 58	56,192 58	56,192 58
Engineering expenses.....		3,039 00	3,039 00
Telegraph line .....		559 70	559 70
Miscellaneous .....	3,338 50		
Sidings and yard extensions .....	2,205 90	17,923 95	17,923 95
Other items .....		31,085 71	31,085 71
Totals .....	\$7,645 98	\$165,390 20	\$165,390 20

## INCOME ACCOUNT.

Gross earnings from operation .....	\$382,585 82	
Less operating expenses.....	889,213 88	
Total income .....		\$13,871 94
Deductions from income:		
Rents paid for lease of road.....	\$436,286 00	
Taxes.....	39,704 16	
Permanent improvements.....	7,645 98	
Total deductions.....		483,616 14
Deficit .....		\$470,244 20

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger revenue .....	\$197,887 55
Mail .....	35,722 12
Express .....	44,725 30
Extra baggage .....	2,635 71
Total passenger earnings .....	\$280,970 68
Freight earnings.....	583,126 69
Total passenger and freight earnings .....	\$864,097 37
Other earnings from operation:	
Car mileage—balance .....	11,898 31
Rents not otherwise provided for .....	2,235 53
Other sources .....	4,354 61
Total gross earnings from operation .....	\$882,585 82

## OPERATING EXPENSES.

Item.	Amount.
<b>Maintenance of way and structures:</b>	
Repairs of roadway .....	\$161,899 60
Renewals of rails .....	4,921 09
Renewals of ties .....	75,463 34
Repairs and renewals of bridges and culverts .....	22,733 38
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	141 30
Repairs and renewals of buildings and fixtures .....	9,983 45
Repairs and renewals of telegraph .....	1,072 27
Stationery and printing .....	42 89
<b>Total.....</b>	<b>\$276,257 32</b>
<b>Maintenance of equipment:</b>	
Superintendence .....	\$4,549 44
Repairs and renewals of locomotives .....	81,770 52
Repairs and renewals of passenger cars .....	14,082 91
Repairs and renewals of freight cars .....	47,463 80
Repairs and renewals of shop machinery and tools .....	4,008 32
Stationery and printing .....	156 04
<b>Total .....</b>	<b>\$152,031 03</b>
<b>Conducting transportation:</b>	
Superintendence .....	\$3,805 41
Engine and roundhouse men .....	84,960 27
Fuel for locomotives .....	67,896 06
Water supply for locomotives .....	21,898 78
Oil, tallow, waste, and other supplies for locomotives .....	5,179 51
Train service .....	56,245 49
Train supplies and expenses .....	9,773 11
Switchmen, flagmen, and watchmen .....	12,765 75
Telegraph expenses .....	13,678 77
Station service .....	17,885 39
Station supplies .....	1,781 70
Car mileage—balance .....	70,330 75
Hire of equipment .....	8,984 79
Loss and damage .....	4,034 64
Injuries to persons .....	735 00
Clearing wrecks .....	574 18
Advertising .....	2,012 15
Outside agencies .....	9,197 25
Stockyards and elevators .....	75 77
Rents for tracks, yards, and terminals .....	1,068 52
Rents of buildings and other property .....	416 17
Stationery and printing .....	1,572 04
Other expenses .....	14,982 62
<b>Total .....</b>	<b>\$412,852 12</b>
<b>General expenses:</b>	
Salaries of general officers .....	6,105 75
Salaries of clerks and attendants .....	9,748 28
General office expenses and supplies .....	187 31
Insurance .....	3,327 01
Law expenses .....	4,789 82
Stationery and printing (general offices) .....	587 09
Other expenses .....	3,328 15
<b>Total .....</b>	<b>\$28,073 41</b>
<b>Recapitulation of expenses:</b>	
Maintenance of way and structures .....	\$276,257 32
Maintenance of equipment .....	152,031 03
Conducting transportation .....	412,852 12
General expenses .....	28,073 41
<b>Grand total .....</b>	<b>\$869,213 88</b>

## RENTALS PAID.

The sum of \$436,266 was paid the Southern Pacific Company for lease of the Colorado Division of the Southern Pacific Railroad Company, and \$1,066 52 was paid the Southern California Railway Company for lease of yards and terminals at Barstow.

## EMPLOYEES AND SALARIES.

Class.	Number.	Number of Days Worked.	Yearly Compensation.	Average Daily Compensation.
General and other officers .....	5	1,611	\$6,105 75	\$3 10
General office clerks .....	30	10,960	9,748 28	2 90
Station agents .....	5	1,825	5,160 00	2 83
Other station men .....	9	2,808	5,093 97	1 81
Enginemen .....	34	9,075	52,728 01	5 81
Firemen .....	36	9,075	31,346 03	3 45
Conductors .....	22	8,368	33,928 30	4 05
Other trainmen .....	44	15,428	45,273 73	2 93
Machinists .....	17	5,494	17,934 32	3 26
Carpenters .....	27	8,620	24,299 09	2 82
Other shopmen .....	68	21,123	51,753 50	2 45
Section foremen .....	29	11,071	25,268 42	2 28
Other trackmen .....	204	71,797	97,678 65	1 36
Switchmen, flagmen, and watchmen ..	13	4,765	11,436 21	2 40
Telegraph operators and dispatchers ..	12	4,020	13,058 78	3 25
All other employees and laborers .....	138	43,099	76,640 61	1 78
Total (including general officers)....	693	229,127	\$507,449 65	\$2 21
Less general officers .....	5	1,611	6,105 75	-----
Total (excluding general officers)....	688	227,516	\$501,343 90	\$2 19
Distribution of above:				
General administration .....	35	12,561	\$15,854 03	\$5 50
Maintenance of way and structures ..	371	125,967	199,587 68	1 58
Maintenance of equipment .....	112	35,237	93,986 91	2 67
Conducting transportation .....	175	55,362	193,021 03	3 57
Total (including general officers)....	693	229,127	\$507,449 65	\$2 21
Less general officers .....	5	1,611	6,105 75	-----
Total (excluding general officers)....	688	227,516	\$501,343 90	\$2 19

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	52,909	
Number of passengers carried one mile .....	9,453,032	
Number of passengers carried one mile per mile of road ..	37,390	
Average distance carried—miles .....	179	
Total passenger revenue .....		\$197,887 55
Average amount received from each passenger .....		3 74.015
Average receipts per passenger per mile .....		02.093
Total passenger earnings .....		280,970 68
Passenger earnings per mile of road .....		1,111 34.673
Passenger earnings per train mile .....		93.187
Freight traffic:		
Number of tons carried of freight earning revenue .....	315,473	
Number of tons carried one mile .....	61,585,107	
Number of tons carried one mile per mile of road .....	243,593	
Average distance haul of one ton—miles .....	195	
Total freight revenue .....		583,126 69
Average amount received for each ton of freight .....		1 84.842
Average receipts per ton per mile .....		00.947
Total freight earnings .....		583,126 69
Freight earnings per mile of road .....		2,306 48.956
Freight earnings per train mile .....		1 52.550



## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE—Continued.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger and freight:		
Passenger and freight revenue .....		\$781,014 24
Passenger and freight revenue per mile of road .....		3,089 21.088
Passenger and freight earnings .....		864,097 37
Passenger and freight earnings per mile of road .....		3,417 83.629
Gross earnings from operation .....		882,585 82
Gross earnings from operation per mile of road .....		3,490 96.519
Gross earnings from operation per train mile .....		1 29.077
Operating expenses .....		869,213 83
Operating expenses per mile of road .....		3,445 40.588
Operating expenses per train mile .....		1 27.121
Train mileage:		
Miles run by passenger trains .....	301,514	
Miles run by freight trains .....	382,253	
Total mileage trains earning revenue .....	683,767	
Miles run by switching trains .....	108,000	
Miles run by construction and other trains .....	2,560	
Grand total train mileage .....	794,327	
Mileage of loaded freight cars—north or east .....	2,650,342	
Mileage of loaded freight cars—south or west .....	2,765,241	
Mileage of empty freight cars—north or east .....	928,349	
Mileage of empty freight cars—south or west .....	733,845	
Average number of freight cars in train .....	19	
Average number of loaded cars in train .....	13	
Average number of empty cars in train .....	6	
Average number of tons of freight in train .....	91	
Average number of tons of freight in each loaded car .....	7	

## DESCRIPTION OF EQUIPMENT.

Item.	Added During Year.	Number at End of Year.	With Train Brake.	With Automatic Coupler.	Name of Automatic Coupler.
Locomotives:					
Passenger, freight, and switching .....		117	117		
Cars in passenger service:					
First-class cars .....		14	14	14	Miller
Second-class cars .....		7	7	7	Miller
Baggage, express, and postal cars .....		13	13	13	Miller
Totals .....		34	34	34	Miller
Cars in freight service:					
Box cars .....		150	150	4	Trojan
Flat cars .....		437	437		
Stock cars .....		239	190	5	Trojan
Coal cars .....		1,131	925	2	Trojan
Totals .....		1,957	1,465	11	Trojan
Cars in company's service:					
Officers' and pay cars .....		2	2	2	Banhop
Derrick cars .....		2	2		
Caboose cars .....	4	59	59		
Other road cars .....		106	100	8	Standard
Totals .....	4	169	163	10	
Total cars in service .....		2,160	1,662	55	
Total cars owned .....	4	2,160	1,662	55	

This equipment is not owned by the line in California, but is the property of the Western Division.

All rolling stock is equipped with the Westinghouse air-brake.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Total Freight Tonnage.	Per Cent.
<b>Products of agriculture:</b>		
Grain .....	2,606	0.83
Flour .....	2,662	0.84
Other mill products .....	2,822	0.89
Hay .....	2,289	0.73
Tobacco .....	323	0.10
Cotton .....	863	0.27
Fruit and vegetables .....	73,142	23.19
<b>Products of animals:</b>		
Live stock .....	6,095	1.93
Dressed meat .....	21	0.01
Other packing-house products .....	1,888	0.60
Poultry, game, and fish .....	260	0.08
Wool .....	1,144	0.36
Hides and leather .....	309	0.10
<b>Products of mines:</b>		
Bituminous coal .....	49,874	15.81
Coke .....	144	0.04
Ores .....	710	0.23
Stone, sand, and other like articles .....	2,795	0.89
Salt .....	580	0.19
Borax .....	10,698	3.39
Lumber, and other products of forest .....	15,901	5.04
<b>Manufactures:</b>		
Petroleum and other oils .....	14,462	4.58
Sugar .....	24,271	7.69
Iron, pig and bloom .....	78	0.02
Iron and steel rails .....	6,102	1.93
Other castings and machinery .....	11,971	3.79
Bar and sheet metal .....	8,439	2.68
Cement, brick, and lime .....	1,404	0.45
Agricultural implements .....	1,105	0.35
Wagons, carriages, tools, etc. ....	3,200	1.01
Wines, liquors, and beers .....	8,174	2.59
Household goods and furniture .....	6,658	2.11
Hardware and cutters .....	6,600	2.10
Merchandise .....	46,598	14.77
Miscellaneous: Other commodities not mentioned above .....	1,285	0.41
<b>Totals .....</b>	<b>315,473</b>	<b>100.00</b>

## MILEAGE.

## A. Mileage of Road Operated—All Tracks.

Line in Use.	Main Line.	Line Operated Under Lease.	Total Mileage Operated.	Steel Rails.
Miles of single track .....	9.912	242.37	252.282	252.282
Miles of yard track and sidings .....	20.960		20.960	20.960
<b>Total mileage operated .....</b>	<b>30.872</b>	<b>242.37</b>	<b>273.242</b>	<b>273.242</b>

## B. Mileage of Line Operated, by States and Territories—Single Track.

State.	Main Line.	Line Operated Under Lease.	Total Mileage Operated.	Steel Rails.
California .....	9.912	242.37	252.282	252.282

*C. Mileage of Line Owned, by States and Territories—Single Track.*

State.	Main Line.	Total Mileage Owned.	Steel Rails.
California .....	9.912	9.912	9.912

## RENEWALS OF RAILS AND TIES.

New ties laid during the year: Pine, 21,143; redwood, 145,459; total, 166,602. Average price at distributing point, 43 cents. No new rails were laid.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Soft Wood —Cords.	Total Fuel Consumed —Tons	Miles Run.	Average lbs. Consumed per Mile.
Passenger .....	11,943	116	12,001	319,433	75.14
Freight .....	31,295	309	31,449½	456,124	137.90
Switching .....	628	6	631	108,000	11.70
Construction .....	162	3	163½	9,220	35.46
Totals .....	44,028	434	44,245	892,777	99.11

Average cost at distributing point, \$1 52 per ton for coal; \$1 72 per cord for wood.

## ACCIDENTS TO PERSONS.

Kind of Accident.	Trainmen Injured.	Other Employés Injured.	Passengers Injured.	Trespassers Injured.	Total Injured.
Coupling and uncoupling .....	2	—	—	—	2
Falling from trains and engines .....	1	—	—	—	1
Derailments .....	1	—	1	—	2
Other causes .....	—	10	—	1	11
Totals .....	4	10	1	1	16

Four other employés injured—hand car jumped track and threw them off.

One other person injured—walking on track and struck by engine.

One other employé injured—rail fell on hand.

One other employé injured—sprained back in lifting hand car off track.

One other employé injured—trying to board moving train.

One other employé injured—hand car jumped track and threw him off.

One other employé injured—pick run through hand.

One other employé injured—rail fell from car, striking him.

## CHARACTERISTICS OF ROAD.

Colorado River, near Needles, to Mojave: Length, 252.282 miles; number of curves, 208; aggregate length of curved line, 46.3 miles; length of straight line, 205.982 miles; length of level line, 19.3 miles; number of ascending grades, 391; sum of ascents, 5,276.1 feet; aggregate length of ascending grades, 135.4 miles; number of descending grades, 170; sum of descents, 301.5 feet; aggregate length of descending grades, 97.581 miles.

Bridges: Wooden, 627; aggregate length, 35,332 feet; minimum length, 15 feet; maximum length, 1,942 feet.

Gauge of track, 4 feet 8½ inches; length, 252.282 miles.

## TELEGRAPH OWNED BY COMPANY MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Operating Company.
252.282	433.464	Operated by this company jointly with Western Union Telegraph Company.

## CAR MILEAGE.

The company making this report pays mileage for the use of cars to the following companies:

Arms Palace Horse Car Co.	Kansas Manufacturers' Despatch.
American Refrigerator Transit Co.	Keystone Palace Horse Car Co.
Armour Refrigerator Line.	Kingan Refrigerator Line.
Abernathy Furniture Co.	Libby, McNeill & Libby Refrigerator Line.
American Brewing Co. Refrigerator Line.	Live Poultry Transportation Co.
Arctic Oil Works.	Lipton Refrigerator Line.
American Cereal Co. Despatch.	Merchants' Despatch Transportation Co.
Burton Stock Car Co.	Morris & Co. Refrigerator Line.
Bear Creek Star Line.	Moran Refrigerator Line.
Blue Line.	National Despatch.
Canda Cattle Car Co.	New England Car Co.
California Fruit Express.	National Rolling Stock Co.
California Fruit Transportation Co.	New York Despatch Refrigerator Line.
Continental Fruit Express.	Overland Fruit Despatch.
Chicago Refrigerator Car Co.	Omaha Packing Co.
Cudahy Refrigerator Line.	Pullman Palace Car Co.
Climax Tank Line.	Peavy Grain Line Co.
Canada Southern Line.	Pabst Refrigerator Line.
Corle Oat Meal Co.	Red Line.
Cleveland Provision Co.	St. Louis Refrigerator Car Co.
Commerce Despatch Line.	Swift's Refrigerator Line.
Consolidated Cattle Car Co.	Street's Stable Car Line.
Cottolene Refrigerator Line.	St. Charles Car Co.
Dold Packing Co.	Southwestern Millers' Despatch.
Empire Line.	Samuel Cupples Woodenware Co.
Great Eastern Line.	Southwestern Refrigerator Despatch.
Hammond Refrigerator Line.	Santa Fe Refrigerator Line.
Hoffman & Son, C.	Union Tank Line Co.
Hicks Stock Car Co.	Union Refrigerator Transit Co.
Healy Refrigerator Line.	United Oil Co.
Interstate Ventilator-Refrigerator Car Line.	Venice Transportation Co.
International Fruit Dealers' Despatch.	Waverly Oil Works.
Independent Refining Co.	White Star Transportation Co.
Kansas City Dressed Beef Line.	White Line Central Transit Co.
Kansas City Refrigerator Car Line.	Washburn & Moen Car Line.

STATE OF CALIFORNIA, } ss.  
County of Los Angeles, }

C. N. Sterry, Attorney and Solicitor for the Receiver of the property of the Atlantic & Pacific Railroad Company (Western Division), being duly sworn, deposes and says that the statements, tables, and answers contained in the foregoing report have been compiled and prepared under his supervision from the report of the Receiver of said company to the Honorable Secretary of the Interior of the United States, in accordance with an understanding had with the Railroad Commissioners of California on February 10, 1887, by William C. Hazletine, the then Solicitor of said company; and that to the best of his knowledge, and as he verily believes, the same contains a full and true exhibit of the condition and affairs of said company on the 30th day of June, 1896, as shown by said report to said Secretary of the Interior.

C. N. STERRY.

Subscribed and sworn to before me, this 10th day of September, 1896.

J. L. B. HAMILTON,  
Notary Public in and for the County of Los Angeles, State of California.

## SAN FRANCISCO &amp; NORTH PACIFIC RAILWAY COMPANY.

## HISTORY.

The San Francisco & North Pacific Railway Company was formed in March, 1889, by transfer from the following companies:

San Francisco & North Pacific Railroad Company.  
Sonoma Valley Railroad Company.  
Marin & Napa Railroad Company.  
Cloverdale & Ukiah Railroad Company.  
San Francisco & San Rafael Railroad Company.

The San Francisco & North Pacific Railway Company issued \$6,000,000 stock, and \$4,000,000 first mortgage 5 per cent, 30-year \$1,000 bonds, due January 1, 1919, interest payable, commencing July 1, 1889, on the 1st of January and 1st of July. The mortgage further provided for an additional issue of \$500,000 on extension, at the rate of not exceeding \$25,000 per mile of railroad in excess of the 160 miles already constructed. Provision is made for a sinking fund of \$25,000 per annum, for purchase of bonds in the market, at not exceeding 110 and interest.

The San Francisco & North Pacific Railroad Company (one of the said companies), 108.5 miles, was incorporated June 29, 1877, and formed by the consolidation of the Sonoma & Marin R. R., chartered November 13, 1874, and the Fulton & Guerneville R. R., chartered May 23, 1877. Road opened from Donahue to Santa Rosa, 23 miles, January 1, 1870; to Windsor, 9 miles, March 1, 1871; to Grants, 4 miles, April 10, 1871; to Healdsburg, 2 miles, July 1, 1871, and to Cloverdale, 18 miles, April 18, 1872. The Guerneville branch was opened May 29, 1876, and the Petaluma branch June 2, 1879. Included in the main line was a section of 9 miles, Point Tiburon to San Rafael, leased.

The Sonoma Valley Railroad (also of the said companies), 21.43 miles, was incorporated July 24, 1878; road opened August 23, 1880. The Sonoma & Santa Rosa R. R. was opened August 15, 1882. The two companies were consolidated during 1885.

San Francisco & North Pacific Railroad Company, organized June 29, 1877.

San Francisco & San Rafael Railroad Company.

Sonoma Railroad Company, organized July 24, 1878.

Marin & Napa Railroad Company.

Cloverdale & Ukiah Railroad Company.

All these companies were chartered under the Civil Code of California, and sold, assigned, and transferred to the San Francisco & North Pacific Railway Company, all their roadway, depot grounds, stations, rolling stock, and other material, on March 19, 1889.

The San Francisco & North Pacific Railroad Company was formed by the consolidation of the Sonoma & Marin Railroad Company, organized November 13, 1874; the Fulton & Guerneville Railroad Company, organized May 23, 1876, and the reorganization of the San Francisco & Humboldt Bay Railroad Company.

## ORGANIZATION.

Names of Directors: Arthur W. Foster, P. N. Lillenthal, Andrew Markham, Geo. A. Newhall, John L. Howard, J. B. Stetson, and A. Borel, all of San Francisco.

Number of stockholders at date of last election: 18.

Last meeting of stockholders for election of Directors: Fixed for third Tuesday in January; postponed to and held on February 25, 1896.

Post Office address of general and operating offices: Mutual Life Insurance Building.

Name and address of officer to whom correspondence regarding this report should be addressed: Thos. Mellersh, Comptroller, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	Arthur W. Foster .....	San Francisco.
First Vice-President .....	P. N. Lillenthal .....	San Francisco.
Secretary .....	Thos. Mellersh .....	San Francisco.
Treasurer .....	Anglo-Californian Bank .....	San Francisco.
Attorney, or General Counsel .....	Jesse W. Lillenthal .....	San Francisco.
Comptroller .....	Thos. Mellersh .....	San Francisco.
General Manager .....	H. C. Whiting .....	San Francisco.
Chief Engineer .....	F. K. Zook .....	San Rafael.
Superintendent .....	W. G. Corbaley .....	San Rafael.
General Freight Agent .....	R. X. Ryan .....	San Francisco.
Assistant General Freight Agent .....	W. J. McMullin .....	San Francisco.
General Passenger Agent .....	R. X. Ryan .....	San Francisco.
Assistant General Passenger Agent .....	W. J. McMullin .....	San Francisco.
General Ticket Agent .....	R. X. Ryan .....	San Francisco.
Assistant General Ticket Agent .....	W. J. McMullin .....	San Francisco.
General Baggage Agent .....	R. X. Ryan .....	San Francisco.

## PROPERTY OPERATED.

Name of Road.	Miles.
San Francisco & North Pacific Railway Company—	
Tiburon to Ukiah .....	106.00
Donahue to Junction with main line .....	5.56
Fulton to Meekers .....	20.88
Santa Rosa to Sebastopol .....	6.25
Ignacio to Glen Ellen .....	26.63
Total .....	165.52

## CAPITAL STOCK.

The total par value of authorized capital stock is \$8,000,000, divided into 60,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$6,000,000.

Dividends (1 per cent) to the amount of \$60,000 were declared during the year.

Total number of shares issued and outstanding, 60,000; cash realized, \$6,000,000. This stock was issued by the San Francisco & North Pacific Railway Company in payment for the several properties acquired March 13, 1889, and reorganized.

## FUNDED DEBT.

On January 1, 1889, first mortgage bonds were authorized to be issued to the amount of \$4,500,000; of this amount, \$4,290,000 was issued, and \$4,111,000 is outstanding. The cash realized cannot be correctly stated. These bonds mature January 1, 1919, and bear 5 per cent interest, payable semi-annually, in January and July of each year. Amount of interest accrued during the year was \$205,550, all of which was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$4,290,000 00	\$4,136,000 00

Interest accrued during year, \$205,550; interest paid during year, \$205,550.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including June 30, 1896.
Cash .....	Audited vouchers and accounts .....
Due from agents .....	Wages and salaries .....
Due from solvent companies and individuals .....	
Total cash and current assets .....	Total .....
Balance—current liabilities .....	
Total .....	

Materials and supplies on hand, \$41,082 95.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount Per Mile of Line.
Capital stock .....	\$6,000,000 00	\$6,000,000 00	165.32	\$36,293 25
Bonds .....	4,111,000 00	4,111,000 00		24,866 92
Totals .....	\$10,111,000 00	\$10,111,000 00	165.32	\$61,160 17

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.	Miles.	Amount Per Mile of Line.
S. F. & N. P. Ry.	\$6,000,000	\$4,111,000	\$87,771 54	\$10,198,771 54	165.32	\$61,697 14

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Total Cost From March 19, 1889, to June 30, 1896.
<b>Construction:</b>	
Right of way, and other real estate.....	\$24,361 45
Fences.....	4,590 97
Grading, and bridge and culvert masonry.....	25,042 58
Bridges and trestles.....	31,982 59
Rails.....	72,291 25
Ties.....	9,057 81
Other superstructure.....	1,860 55
Buildings, furniture, and fixtures.....	36,010 84
Shop machinery and tools.....	2,627 19
Engineering expenses.....	4,838 05
Interest during construction.....	1,905 30
Discount on securities sold for construction.....	19,500 00
Telegraph line.....	2,008 75
Wharfing, etc.....	8,140 72
Sidings and yard extensions.....	14,555 08
Terminal facilities and elevators.....	163 98
Purchase of constructed road.....	24,548 06
Other items.....	109,153 82
<b>Total construction.....</b>	<b>\$392,638 99</b>
<b>Equipment:</b>	
Passenger cars.....	\$23,704 35
Baggage, express, and postal cars.....	2,061 10
Combination cars.....	2,702 07
Freight cars.....	15,672 46
Other cars of all classes.....	317 34
<b>Total equipment.....</b>	<b>\$44,457 32</b>
<b>Cost of all property on March 19, 1889, not segregated.....</b>	<b>10,000,000 00</b>
<b>Total cost construction, equipment, etc. ....</b>	<b>\$10,437,096 31</b>

Cost per mile (165.32 miles), \$62,132 69.

## INCOME ACCOUNT.

Gross earnings from operation.....	\$790,957 73	
Less operating expenses.....	520,878 03	
<b>Total income.....</b>		<b>\$270,079 70</b>
<b>Deductions from income:</b>		
Interest on funded debt accrued.....	\$205,550 00	
Taxes.....	37,500 00	
<b>Total deductions from income.....</b>		<b>243,050 00</b>
<b>Net income.....</b>		<b>\$27,029 70</b>
Dividends, $\frac{1}{2}$ of 1 per cent, common stock.....	\$30,000 00	
Dividends, $\frac{1}{2}$ of 1 per cent, preferred stock.....	30,000 00	
Other payments from net income—sinking fund.....	25,000 00	
		85,000 00
<b>Deficit from operations of year ending June 30, 1896.....</b>		<b>\$57,970 30</b>
<b>Surplus on June 30, 1895.....</b>		<b>222,268 00</b>
<b>Surplus on June 30, 1896.....</b>		<b>\$164,297 70</b>

# REPORT OF SAN FRANCISCO AND NORTH PACIFIC RAILWAY CO. 179

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Actual Earnings.
Conductors .....	\$18,222 35	
Passenger revenue .....	357,056 38	
Total passenger revenue .....		\$373,278 73
Mail .....		17,698 11
Express .....		16,452 16
Extra baggage and storage .....		1,472 57
Other items .....		1,500 00
Total passenger earnings .....		\$410,701 57
Total freight earnings .....		367,256 58
Total passenger and freight earnings .....		\$777,958 15
Other earnings from operation:		
Rents not otherwise provided for .....	\$12,888 61	
Other sources .....	110 97	
Total other earnings .....		12,999 58
Total gross earnings from operation .....		\$790,957 73

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$51,893 47
Renewals of rails .....	16,315 57
Renewals of ties .....	9,833 91
Repairs and renewals of bridges and culverts .....	18,047 41
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	4,054 28
Repairs and renewals of buildings and fixtures .....	12,701 38
Repairs and renewals of docks and wharves .....	5,920 39
Repairs and renewals of telegraph .....	34 29
Other expenses .....	16,279 82
Total .....	\$135,080 50
Maintenance of equipment:	
Superintendence .....	\$5,185 57
Repairs and renewals of locomotives .....	14,451 68
Repairs and renewals of passenger cars .....	16,466 30
Repairs and renewals of freight cars .....	13,848 50
Repairs and renewals of marine equipment .....	3,466 91
Repairs and renewals of shop machinery and tools .....	3,262 64
Other expenses .....	3,357 62
Total .....	\$60,049 20
Conducting transportation:	
Superintendence .....	\$1,731 78
Engine and roundhouse men .....	23,388 97
Fuel for locomotives .....	55,303 04
Water supply for locomotives .....	2,260 77
Oil, tallow, and waste for locomotives .....	1,074 33
Train service .....	24,478 60
Train supplies and expenses .....	6,291 41
Switchmen, flagmen, and watchmen .....	1,398 08
Telegraph expenses .....	1,467 45
Station service .....	36,194 95
Station supplies .....	3,294 34
Switching charges and car mileage—balance .....	5,345 90
Loss and damage .....	2,675 00
Injuries to persons .....	5,479 81
Clearing wrecks .....	589 82
Operating marine equipment .....	60,908 17
Advertising .....	16,991 34
Stationery and printing .....	21,315 58
Total .....	\$270,187 42



## OPERATING EXPENSES—Continued.

Item.	Amount.
General expenses:	
Salaries of general officers .....	\$20,400 00
Salaries of clerks and attendants .....	13,032 85
General office expenses and supplies .....	4,202 78
Insurance .....	7,200 00
Law expenses .....	7,285 09
Stationery and printing (general offices) .....	1,027 39
Other expenses .....	2,412 80
Total .....	\$55,560 91
Recapitulation of expenses:	
Maintenance of way and structures .....	\$135,080 50
Maintenance of equipment .....	60,049 20
Conducting transportation .....	270,187 42
General expenses .....	55,560 91
Grand total .....	\$520,878 03
Percentage of operating expenses to earnings .....	65.85

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Decrease.	
\$10,437,096 31	Cost of road and equipment .....	\$10,437,096 31		
81,523 78	Cash and current assets .....	38,200 98	\$43,322 80	
42,452 16	Materials and supplies .....	41,082 95	1,369 21	
25,824 86	Sinking fund .....	25,689 00	135 86	
\$10,586,897 11	Totals .....	\$10,542,069 24	\$44,827 87	
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$6,000,000 00	Capital stock .....	\$6,000,000 00		
4,136,000 00	Funded debt .....	4,111,000 00		\$25,000 00
74,629 11	Current liabilities .....	87,771 54	\$13,142 43	
154,000 00	Sinking fund paid on first mort- gage bonds .....	179,000 00	25,000 00	
222,268 00	Profit and loss .....	164,297 70		57,970 30
\$10,586,897 11	Totals .....	\$10,542,069 24		\$44,827 87

## CONTRACTS, AGREEMENTS, ETC.

1. Express with Wells, Fargo & Co.
2. Mail with U. S. Government.
4. Morton Bros.
5. Southern Pacific Co.
7. Western Union Telegraph Co.
9. News privilege.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount Per Mile of Line.
First mortgage, \$4,111,000; 4,111 bonds of \$1,000 each, payable January 1, 1919; interest payable semi-annually, at 5% .....	Entire road ...	165.32	\$24,867

Equipment mortgaged includes all the franchises, rights and lines of roads, side tracks, rolling stock, land and water terminals, stations, shops, steamers, and all other property.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers .....	4	1,460	\$17,400 00	\$11 92.365
Other officers .....	2	730	6,000 00	8 22
General office clerks .....	15	5,475	12,612 85	2 30
Station agents .....	32	11,680	27,745 30	2 37
Other station men .....	15	5,475	8,898 35	1 63
Enginemen .....	12	4,380	14,836 15	3 39
Firemen .....	12	4,380	8,492 40	1 94
Conductors .....	11	4,015	11,709 50	2 91
Other trainmen .....	14	5,110	11,099 80	2 17
Machinists .....	20	6,200	13,267 95	2 14.310
Carpenters .....	38	11,780	27,501 95	2 33
Other shopmen .....	25	7,750	18,786 10	2 42
Section foremen .....	26	8,060	19,440 00	2 41
Other trackmen .....	104	32,240	54,308 75	1 68
Switchmen, flagmen, and watchmen .....	2	730	1,390 80	1 90.365
Telegraph operators and dispatchers .....	1	365	720 00	1 97
Employés—account floating equipment .....	29	10,585	27,564 25	2 60
All other employés and laborers .....	19	6,935	12,102 05	1 75
Total (including general officers) .....	381	127,350	\$293,876 20	\$2 31
Less general officers .....	4	1,460	17,400 00	11 92
Total (excluding general officers) .....	377	125,890	\$276,476 20	\$2 12
Distribution of above:				
General administration .....	20	7,335	33,012 85	\$4 50.365
Maintenance of way and structures .....	153	47,555	92,638 60	1 95.310
Maintenance of equipment .....	67	20,845	46,797 15	2 25.310
Conducting transportation .....	141	51,615	121,427 60	2 35.365
Total (including general officers) .....	381	127,350	293,876 20	\$2 31
Less general officers .....	4	1,460	17,400 00	11 92
Total (excluding general officers) ..	377	125,890	276,476 20	\$2 12

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue .....	894,502	
Number of passengers carried one mile .....	18,379,425	
Number of passengers carried one mile per mile of road .....	111,174	
Average distance carried—miles .....	20.55	
Total passenger revenue .....		\$373,278 73
Average amount received from each passenger .....		41.730
Average receipts per passenger per mile .....		02.030
Total passenger earnings .....		410,701 57
Passenger earnings per mile of road .....		2,484 28
Passenger earnings per train mile .....		1 54.42
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue .....	180,583	
Number of tons carried one mile .....	8,167,879	
Number of tons carried one mile per mile of road .....	49,406	
Average distance haul of one ton—miles .....	45.23	
Total freight revenue .....		367,256 58
Average amount received for each ton of freight .....		2 03.372
Average receipts per ton per mile .....		04.496
Total freight earnings .....		367,256 58
Freight earnings per mile of road .....		2,221 49
Freight earnings per train mile .....		3 13.645
<b>Passenger and freight:</b>		
Passenger and freight revenue .....		740,535 31
Passenger and freight revenue per mile of road .....		4,479 40
Passenger and freight earnings .....		777,958 15
Passenger and freight earnings per mile of road .....		4,705 77
Gross earnings from operation .....		796,957 73
Gross earnings from operation per mile of road .....		4,784 40
Gross earnings from operation per train mile .....		2 06.506
Operating expenses .....		520,878 03
Operating expenses per mile of road .....		3,150 73
Operating expenses per train mile .....		1 35.983
Income from operation .....		270,079 70
Income from operation per mile of road .....		1,633 67
<b>Train mileage:</b>		
Miles run by passenger trains .....	254,472	
Miles run by freight trains .....	82,730	
Miles run by mixed trains .....	45,817	
Total mileage trains earning revenue .....	383,019	
Miles run by switching trains .....	55,532	
Miles run by construction and other trains .....	6,785	
Grand total train mileage .....	445,336	
Mileage of loaded freight cars—north .....	517,990	
Mileage of loaded freight cars—south .....	631,390	
Mileage of empty freight cars—north .....	268,850	
Mileage of empty freight cars—south .....	96,931	
Average number of freight cars in train .....	*18	
Average number of loaded cars in train .....	*13	
Average number of empty cars in train .....	*5	
Average number of tons of freight in train .....	*75	
Average number of tons of freight in each loaded car .....	*6	

\* Estimated.

# REPORT OF SAN FRANCISCO AND NORTH PACIFIC RAILWAY CO. 183

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road— Tons.	Per Cent.
Products of agriculture:		
Grain .....	8,599	5.59
Flour .....	2,658	1.73
Other mill products .....	4,874	3.17
Hay .....	3,915	2.55
Other .....	357	.23
Hops .....	1,711	1.12
Fruit and vegetables .....	8,429	5.48
Canned fruits .....	3,213	2.09
Dried fruits .....	3,324	2.16
Products of animals:		
Live stock .....	5,235	3.40
Dressed meats .....	945	.62
Other packing-house products .....	7,327	4.77
Poultry, game, and fish .....	538	.35
Wool .....	567	.37
Hides and leather .....	458	.29
Products of mines:		
Coke and coal .....	2,952	1.93
Basalt blocks .....	5,116	3.32
Stone, sand, and other like articles .....	960	.64
Other .....	1,600	1.04
Products of forest:		
Lumber .....	11,170	7.27
Charcoal .....	2,375	1.54
Wood and other .....	24,915	16.21
Manufactures:		
Petroleum and other oils .....	1,392	.91
Castings and machinery .....	713	.46
Cement, brick, and lime .....	5,108	3.32
Agricultural implements .....	214	.14
Wagons, carriages, tools, etc. ....	498	.32
Wines, liquors, and beers .....	26,648	17.34
Household goods and furniture .....	1,912	1.24
Other .....	7,561	4.92
Merchandise .....	4,546	2.96
Miscellaneous: Other commodities not mentioned above .....	3,885	2.52
Total tonnage .....	153,745	100.00

## DESCRIPTION OF EQUIPMENT.

Item.	Added During Year.	Number at End of Year.	With Train Brake.
Locomotives:			
Passenger .....		6	6
Freight .....		9	9
Switching .....		2	2
Total locomotives .....		17	17
Cars in passenger service:			
First-class cars .....		34	
Second-class cars .....		3	
Combination cars .....		4	
Special cars .....		1	
Baggage, express, and postal cars .....		5	
Other cars in passenger service .....		7	
Total .....		54	
Cars in freight service:			
Box cars .....	4	134	
Flat cars .....	5	265	
Stock cars .....		13	
Totals .....	9	412	

## DESCRIPTION OF EQUIPMENT—Continued.

Item.	Added During Year.	Number at End of Year.	With Train Brake.
Cars in company's service:			
Gravel cars .....		13	-----
Caboose cars .....		2	-----
Other road cars .....	1	74	-----
Totals .....	1	89	-----
Grand totals .....	10	555	-----

Locomotives are equipped with the Westinghouse air-brake; passenger cars with the Westinghouse air-brake and Miller automatic coupler; freight cars with hand brakes, and cars in the company's service with ordinary train brakes.

## MILEAGE OF ROAD OPERATED.

Miles of single track, main line, 106; branches and spurs, 59.32. Total mileage operated, 165.32. Iron rails, 45.28 miles; steel rails, 120.04 miles.

All within the State of California, and all owned by this company.

## RENEWALS OF RAILS AND TIES.

New Rails Laid During Year.	Tons.	Weight per Yard.	Average Price per Ton at Distributing Point.
Iron:			
Main line .....	148	56 lbs.	About \$20
Siding .....	8		
Total iron .....	156		
Steel:			
Main line .....	545	56 lbs.	About \$30
Sidings .....	14		
Total steel .....	559		

New Ties Laid During Year.			Number.
Redwood:			
Main line .....			14,129
Sidings .....			1,372
Total .....			15,501

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Soft Wood—Cords.	Fuel Consumed—Tons.	Miles Run.	Average Pounds Consumed per Mile.
Passenger .....	1,447	5,475	4,185	57%—254,472	32.59
Freight .....	737	2,786	2,130	29%—128,547	33.14
Switching .....	305	1,153	881	12%—55,532	31.73
Construction .....	50	192	146	2%—6,785	43.03
Totals .....	2,539	9,606	7,342	445,336	32.74

As engines are not classified and perform all kinds of service, division above is made on mileage basis, simply to try to meet your requirements.

## ACCIDENTS TO PERSONS.

Kind of Accident.	Trainmen and Employes Injured.	Passengers Injured.	Trespassers Killed.
Train accidents .....		2	
"Other causes" .....	5	1	1
Totals .....	5	3	1

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.		
		Number of Curves	Aggregate Length of Curved Line—Miles .....	Length of Straight Line—Miles .....
Main line—Tiburon to Ukiah .....	106.00	188	25.34	80.66
Branches—Donahue to junction with main line .....	5.56	5	.84	4.72
Fulton to Guerneville and Bohemia .....	20.88	84	8.76	9.78
Santa Rosa to Sebastopol .....	6.25	6	.92	5.33
Ignacio to Glen Ellen .....	26.63	46	5.21	21.42
Total .....	165.32			

Main Line and Branches.	Profile.						
	Length of Level Line—Miles .....	Number of Ascending Grades..	Sum of Ascents of Ascending Grades—Feet .....	Aggregate Length of Ascending Grades—Miles .....	Number of Descending Grades.	Sum of Descents of Descending Grades—Feet .....	Aggregate Length of Descending Grades—Miles...
Main line—Tiburon to Ukiah..	29.76	44	1,176.3	48.89	35	572.3	27.35
Branches—Donahue to junction with main line .....	2.44	7	20.5	1.48	5	19.5	1.64
Fulton to Guerneville and Bohemia .....	8.31	13	92.1	3.47	16	159.0	6.77
Santa Rosa to Sebastopol .....	1.36	1	3.0	.15	11	90.0	4.76
Ignacio to Glen Ellen .....	11.55	15	292.6	11.31	14	81.6	3.74

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Steel .....	2	279 ft. 2 in.	51 ft. 8 in.	227 ft. 4 in.
Wooden .....	7	674 ft.	32 ft.	168 ft.
Combination .....	3	989 ft.	185 ft.	400 ft.
Totals .....	12	1,942 ft. 2 in.		
Trestles .....	457	38,087 ft.	5 ft. 6 in.	27,228 ft.
Tunnels .....	9	8,985 ft.	248 ft.	1,851 ft.

Item.	Number.	Height Above Surface of Rail.
Overhead highway crossings:		
Trestles .....	2	18 ft.
Tunnels .....	9	16 ft. 8 in.

Gauge of track, 4 feet 8½ inches; length, 165.32 miles.

## TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
106	212	Western Union Telegraph Co.	S. F. & N. P. Ry.

## CAR MILEAGE.

No private cars are used or make any mileage on this road.

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Arthur W. Foster, President, and Thomas Mellersh, Comptroller, of the San Francisco & North Pacific Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

A. W. FOSTER,  
President.  
THOS. MELLERSH,  
Comptroller.

Subscribed and sworn to before me, this 8th day of August, 1896.

E. H. THARP,  
Notary Public in and for the City and County of San Francisco, State of California.

## CARSON &amp; COLORADO RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: Carson & Colorado Railway Company.
2. Date of organization: February 27, 1892.
3. Under laws of what Government, State, or Territory organized: Laws of State of California.
4. Name of constituent companies: Carson & Colorado Railroad Company, incorporated in Nevada, May 10, 1880. Carson & Colorado Railroad Company (second division), incorporated in Nevada, November 3, 1881. Carson & Colorado Railroad Company (Third Division), incorporated in California, November 21, 1881.
5. Date of consolidation: August 2, 1892. Authority: The unanimous vote of the stockholders at a meeting held for the purpose.
6. Name of original corporation: Carson & Colorado Railroad Company. Laws under which organized: Statutes of States of Nevada and California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
D. O. Mills .....	New York City.
George Whittell .....	San Francisco.
James M. Allen .....	San Francisco.
W. T. Wood .....	San Francisco.
S. Prentiss Smith .....	San Francisco.
J. W. C. Maxwell .....	San Francisco.
H. H. Taylor .....	San Francisco.
H. M. Yerington .....	Carson, Nev.
D. A. Bender .....	Carson, Nev.

Date of expiration of terms of Directors: When successor is elected and qualified.  
 Total number of stockholders at date of last election: 16.  
 Last meeting of stockholders for election of Directors: August 2, 1892.  
 Post Office address of general office: San Francisco.  
 Post Office address of operating office: Carson, Nev.  
 Name and address of officer to whom correspondence regarding this report should be addressed: D. A. Bender, Secretary, Carson, Nev.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board .....	The President .....	
President .....	H. M. Yerington .....	Carson, Nev.
Vice-President .....	George Whittell .....	San Francisco.
Secretary .....	D. A. Bender .....	Carson, Nev.
Treasurer .....	S. Prentiss Smith .....	San Francisco.
Attorney, or General Counsel .....	W. S. Wood .....	San Francisco.
Auditor and Assistant Secretary .....	E. B. Yerington .....	Carson, Nev.
Chief Engineer and Assistant Supt. ....	Robt. J. Laws .....	Hawthorne, Nev.
General Superintendent .....	H. M. Yerington .....	Carson, Nev.
Superintendent of Telegraph .....	A. M. Ardery .....	Carson, Nev.
General Freight Agent .....	D. A. Bender .....	Carson, Nev.
General Passenger Agent .....	D. A. Bender .....	Carson, Nev.
General Baggage Agent .....	D. A. Bender .....	Carson, Nev.

## PROPERTY OPERATED.

Name.	Terminals.	Miles.
Carson & Colorado Railway .....	Mound House, Nev., to Keeler, Cal. ....	293.00
	Junction, Nev., to Candelaria, Nev. ....	7.00
	Hawthorne, Nev., to Cottonwood, Nev. ....	7.25
Total .....		307.25



## CAPITAL STOCK.

The total par value of authorized capital stock is \$6,300,000, divided into 63,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$4,380,000. No dividends were declared during the year.

Manner of payment for capital stock: Number of shares issued for reorganization, 43,800; total cash realized, \$4,380,000. Issued according to agreement between stockholders and the corporation in exchange for a like number of shares issued and outstanding of the Carson & Colorado Railroad Company; Carson & Colorado Railroad Company, second division; Carson & Colorado Railroad Company, third division.

## FUNDED DEBT.

In 1892, the company authorized first mortgage bonds to the amount of \$3,500,000 to be issued, to run fifty years. The amount issued and now outstanding is \$2,000,000, upon which full value was realized. The bonds bear 4 per cent interest, payable in January and July. The amount of interest accruing during the year was \$80,000, but none was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$2,000,000 00	\$2,000,000 00

Interest accrued during year, \$80,000; interest paid during year, nothing.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$38,137 81	Audited vouchers and accounts—wood account .....	\$393 04
Due from agents .....	3,980 42	Matured interest coupons unpaid, although not entered on company's books .....	200,000 00
Net traffic balances due from other companies .....	383 50	Miscellaneous, profit and loss .....	34,711 04
Other cash assets .....	4,320 38		
Total cash and current assets .....	\$46,822 11	Total .....	\$235,104 08
Balance—current liabilities .....	188,281 97		
Total .....	\$235,104 08		

Materials and supplies on hand, \$9,583 92.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Miles.	Amount per Mile of Line.
Capital stock .....	\$4,380,000 00	307.25	\$14,255 00
Bonds .....	2,000,000 00		6,509 00
Current liabilities .....	235,104 08		765 00
Totals .....	\$6,615,104 08	307.25	\$21,529 00

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

We are unable to furnish in detail the information called for, as the company purchased the railroad equipment, and all other property, of the following companies, viz.: Carson & Colorado Railroad Company, Carson & Colorado Railroad Company (second division), Carson & Colorado Railroad Company (third division), the consideration being 43,800 shares of its capital stock (\$4,380,000), and \$2,000,000 of its first mortgage bonds, which amount, viz.: \$6,380,000, appears on its books as representing the total cost of the property. Cost per mile, \$20,764 85.

## INCOME ACCOUNT.

Gross earnings from operation .....	\$149,965 41	
Less operating expenses .....	108,248 27	
Income from operation .....		\$41,717 14
Deductions from income:		
Interest on funded debt accrued .....	\$80,000 00	
Taxes .....	20,415 19	
Total deductions from income .....		100,415 19
Deficit .....		\$58,698 05
Deficit from operations of year ending June 30, 1896 .....		\$58,698 05
Deficit on June 30, 1895 .....		50,134 76
Deficit on June 30, 1896 .....		58,698 05

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Actual Earnings.
Passenger revenue .....	\$32,618 01	
Mail .....	12,824 28	
Express .....	2,515 63	
Baggage and storage .....	208 96	
Total passenger earnings .....		\$48,166 78
Total freight earnings .....		101,623 85
Total passenger and freight earnings .....		\$149,790 63
Other earnings from operation .....		174 78
Total gross earnings from operation .....		\$149,965 41

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway and renewals of rails and ties .....	\$23,215 76
Repairs and renewals of bridges, culverts, fences, road crossings, signs, and cattle guards .....	1,686 79
Total .....	\$24,902 55
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$7,936 07
Repairs and renewals of passenger, freight, and work cars .....	5,900 27
Total .....	\$13,836 34
Conducting transportation:	
Superintendence, engine and roundhouse men, fuel for locomotives, water supply for locomotives, oil, tallow, and waste, and other supplies for locomotives .....	\$34,518 10
Train service, train supplies and expenses, switchmen, flagmen, and watchmen .....	8,603 29
Station service .....	24,638 01
Loss and damage .....	311 23
Injuries to persons .....	30 50
Total .....	\$68,101 13
General expenses:	
Stationery and printing (general offices) .....	\$605 30
Other expenses: Water service, \$116 30; miscellaneous, \$686 65 .....	802 95
Total .....	\$1,408 25
Recapitulation of expenses:	
Maintenance of way and structures .....	\$24,902 55
Maintenance of equipment .....	13,836 34
Conducting transportation .....	68,101 13
General expenses .....	1,408 25
Grand total .....	\$108,248 27
Percentage of operating expenses to earnings .....	70.00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$3,380,000 00	Cost of road .....	\$3,380,000 00		
25,474 24	Cash and current assets .....	46,822 11	\$21,347 87	
10,671 34	Materials and supplies .....	9,583 92		\$1,087 42
50,134 76	Profit and loss .....	58,698 05	8,563 29	
\$3,466,280 34	Totals .....	\$6,495,104 08	\$28,823 74	
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	
\$4,380,000 00	Capital stock .....	\$4,380,000 00		
2,000,000 00	Funded debt .....	2,000,000 00		
166,280 34	Current liabilities .....	235,104 08	\$68,823 74	
50,134 76	Profit and loss .....	58,698 05	8,563 29	
\$6,596,415 10	Totals .....	\$6,673,802 13	\$77,387 03	

## CONTRACTS, AGREEMENTS, ETC.

*Express.*—This company has an agreement with Wells, Fargo & Co.'s Express, covering the transportation of express matter, messengers, etc.

*Mails.*—The company has a contract with Post Office Department, United States Government, for daily mail service between Mound House, Nev., and Keeler, Inyo Co., Cal., at the rate of \$64 98 per mile, per annum; from which said Post Office Department deduct 50% thereof for failure to provide service three times per week over that portion of the company's road over which mail service is performed but three times per week.

*Other Railroads.*—No contracts or agreements, except such as are embraced in joint freight and passenger tariffs, as agreed on.

*Telegraph.*—The telegraph line used by this company was built by the Western Union Telegraph Company under contract, both companies using the line under conditions provided for by said contract, which bears date October 1, 1890, and continues for twenty years and thereafter until one year's notice of expiration is given. In addition to allowing the railroad company the use of said line for the transaction of its business, said telegraph company furnishes the company with free telegraphing over its lines throughout the United States in amount not exceeding \$1,800 per annum.

This company uses no sleeping, parlor, or dining-cars, and has no contracts with other freight or transportation companies, steamboat or steamship companies, or telephone companies.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount per Mile of Line.
First mortgage .....	Mound House to Keeler ... Branches .....	293.00 14.25	\$6,509 33

Also, all equipment and all income are mortgaged.

## EMPLOYÉS AND SALARIES.

Statistics called for are not kept.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	8,161 $\frac{1}{4}$	
Number of passengers carried one mile .....	528,273	
Number of passengers carried one mile per mile of road .....	1,761	
Average distance carried—miles .....	64.72	
Total passenger revenue .....		\$32,618 01
Average amount received from each passenger .....		3 99
Average receipts per passenger per mile .....		06.17
Total passenger earnings .....		48,166 78
Passenger earnings per mile of road (in operation, 300 miles) .....		160 55
Freight traffic:		
Number of tons carried of freight earning revenue .....	17,725	
Number of tons carried one mile .....	2,683,224	
Number of tons carried one mile per mile of road .....	8,944	
Average distance haul of one ton—miles .....	151	
Total freight revenue .....		101,623 85
Average amount received for each ton of freight .....		5 73.33
Average receipts per ton per mile .....		03.75
Total freight earnings .....		101,623 85
Freight earnings per mile of road (estimate on 300 miles in operation) .....		338 75
Passenger and freight:		
Passenger and freight revenue .....		134,241 86
Passenger and freight revenue per mile of road .....		447 47
Passenger and freight earnings .....		149,790 63
Passenger and freight earnings per mile of road .....		499 30
Gross earnings from operation .....		149,965 41
Gross earnings from operation per mile of road .....		499 99
Gross earnings from operation per train mile .....		1 03
Operating expenses .....		108,248 27
Operating expenses per mile of road .....		360 83
Operating expenses per train mile .....		75
Income from operation .....		41,717 14
Income from operation per mile of road .....		139 06
Train mileage:		
Miles run by freight and other trains .....	5,986	
Miles run by mixed trains .....	138,309	
Total mileage trains earning revenue .....	144,295	

Number of miles in operation, 300; number of miles over which no freight outside of railroad hauled, 7.25.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road—Tons.	Received from Connecting Roads— Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain .....	316	237	553	3.12
Flour .....	59	175 $\frac{1}{2}$	234 $\frac{1}{2}$	1.32
Hay .....	598 $\frac{1}{2}$	75	673 $\frac{1}{2}$	3.80
Potatoes .....	1,359 $\frac{1}{4}$		1,359 $\frac{1}{4}$	7.79
Honey .....	80 $\frac{1}{2}$		80 $\frac{1}{2}$	.45
Products of animals:				
Live stock .....	1,710	77 $\frac{1}{2}$	1,787 $\frac{1}{2}$	10.08
Wool .....	211 $\frac{1}{4}$		211 $\frac{1}{4}$	1.18
Products of mines:				
Borax .....	527		527	2.90
Bituminous coal .....		42 $\frac{1}{2}$	42 $\frac{1}{2}$	.23
Soda .....	2,208		2,208	12.41
Ores .....	3,816		3,816	21.52
Stone, sand, and other like articles .....	125		125	.70
Salt .....	198		198	1.11

## FREIGHT TRAFFIC MOVEMENT—Continued.

Commodity.	Originating on this Road—Tons.	Received from Connecting Roads— Tons.	Total Freight Tonnage.	Per Cent.
Products of forest:				
Lumber .....		1,020	1,020	5.75
Lath, etc. ....		195½	195½	1.10
Wood .....	553		553	3.12
Manufactures:				
Castings and machinery .....		205	205	1.15
Powder .....		52½	52½	.29
Merchandise .....	1,004	2,879	3,883	21.90
Total tonnage .....	12,765½	4,959½	17,725	

Petroleum and other oils, sugar, naval stores, pig and bloom iron, cement, brick, lime, agricultural implements, wagons, carriages, tools, wines, liquors, beers, household goods, and furniture returned as "merchandise."

## DESCRIPTION OF EQUIPMENT.

Item.	Total Number at End of Year.
Locomotives: Passenger and freight .....	8
Cars in passenger service:	
First-class cars .....	3
Combination cars .....	1
Baggage, express, and postal cars .....	4
Total .....	8
Cars in freight service:	
Box and stock cars .....	54
Flat cars .....	94
Ore cars .....	22
Total .....	170
Cars in company's service:	
Officers' and pay cars .....	2
Hand cars .....	18
Total .....	20
Total cars owned .....	198

## MILEAGE.

## A. Mileage of Road Operated—All Tracks.

Line in Use.	Main Line.	Branches and Spurs.	Total Mileage Operated.	Steel Rails.
Miles of single track .....	293.00	14.25	307.25	All.
Miles of yard track and sidings .....	21.66		21.66	
Total mileage operated .....	314.66	14.25		

## B. Mileage of Line Operated, by States and Territories—Single Track.

State.	Main Line.	Branches and Spurs.	Total Mileage Operated.
Nevada .....	185	14.25	199.25
California .....	108		108.00
Total mileage operated .....	293	14.25	307.25

## NEW TIES LAID DURING YEAR.

Kind.	Number.	Average Price at Distributing Point.
Redwood .....	1,877	\$0 50
Pine .....	3,167	38
Totals .....	5,044	\$0 44

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

The locomotives, on mixed trains, in running 144,295 miles, burned 3,229 cords of nut pine wood, equal to 1,442.95 tons of fuel.

## CHARACTERISTICS OF ROAD.

Mound House, Nev., to Keeler, Cal.: Length, 293 miles; number of curves, 576; aggregate length of curved line, 51.80 miles; length of straight line, 242.20 miles; length of level line, 50.80 miles; number of ascending grades, 189; sum of ascents, 3,312.68 feet; aggregate length of ascending grades, 68 miles; number of descending grades, 113; sum of descents, 4,552.88 feet; aggregate length of descending grades, 176 miles.

Junction, Nev., to Candelaria, Nev.: Length, 7 miles; number of curves, 60; aggregate length of curved line, 3.40 miles; length of straight line, 3.60 miles; number of ascending grades, 1; sum of ascents, 511.24 feet; aggregate length of ascending grades, 4.54 miles; number of descending grades, 1; sum of descents, 178.64 feet; aggregate length of descending grades, 1.96 miles.

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden and combination...	3	601 ft. 10 in.	196 ft. 6 in.	210 feet.
Trestles .....	5	1,198 ft.	195 ft.	315 feet.
Tunnels .....	1	238 ft.	238 ft.	238 feet.

Gauge of track, 3 feet; length, 307.25 miles.

## TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
300	300	Western Union Telegraph Co.	Operated jointly by owner and this company.

STATE OF NEVADA, }  
County of Ormsby. } ss.

We, the undersigned, D. A. Bender, Acting Superintendent, and E. B. Yerington, Assistant Secretary and Auditor, of the Carson & Colorado Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

D. A. BENDER,  
Acting Superintendent.  
E. B. YERINGTON,  
Assistant Secretary and Auditor.

Subscribed and sworn to before me, this 1st day of September, 1896.

FRANK E. MURPHY,  
Notary Public, Ormsby County, Nevada.

## NORTH PACIFIC COAST RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: North Pacific Coast Railroad Company.
2. Date of organization: December 16, 1871.
3. Under laws of what Government, State, or Territory organized: United States Government and State of California; incorporated under the general incorporation laws relative to railroad companies, approved May 20, 1871.
4. Original corporation.

## ORGANIZATION.

Names of Directors: J. B. Stetson, A. Borel, C. DeGuigné, J. C. Coleman, A. H. Small, C. R. Winslow, all of San Francisco, Cal.  
 Date of expiration of terms of Directors: August 10, 1896.  
 Total number of stockholders at date of last election: 6.  
 Last meeting of stockholders for election of Directors: August 12, 1895.  
 Post Office address of general and operating offices: 14 Sansome Street, San Francisco.  
 Name and address of officer to whom correspondence regarding this report should be addressed: W. F. Russell, G. F. A., 14 Sansome Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board and President .....	J. B. Stetson .....	14 Sansome St., San Francisco.
Vice-President .....	John C. Coleman .....	14 Sansome St., San Francisco.
Secretary .....	F. B. Latham .....	14 Sansome St., San Francisco.
Treasurer .....	A. Borel .....	311 Montgomery St., San Francisco.
Attorney .....	Page, McCutchen & Eells .....	Mills Building, San Francisco.
Auditor .....	F. B. Latham .....	14 Sansome St., San Francisco.
General Manager .....	J. B. Stetson .....	14 Sansome St., San Francisco.
Superintendent .....	E. H. Shoemaker .....	Sausalito, Marin County, Cal.
General Freight Agent .....	W. F. Russell .....	14 Sansome St., San Francisco.
General Passenger and Ticket Agent .....	F. B. Latham .....	14 Sansome St., San Francisco.

## PROPERTY OPERATED.

Name of Road.	Miles.
North Pacific Coast Railroad—	
San Francisco to Cazadero .....	86.75
San Anselmo to San Rafael .....	2.00
Mill Valley Junction to Mill Valley .....	1.75
San Rafael and San Quentin Railroad—	
San Rafael to San Quentin .....	3.50
Total .....	94.00

## CAPITAL STOCK.

The total par value of authorized capital stock is \$6,000,000, divided into 60,000 shares of \$100 each. The total amount issued and outstanding is \$1,500,000. No dividends were declared.

There are 15,000 shares outstanding, and the total cash realized is \$1,500,000.

There were 13,795 shares surrendered during the year.

## FUNDED DEBT.

Class of Bond or Obligation, and Date of Issue and Maturity.	Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
First mortgage—Nov. 1, 1881, to Nov. 1, 1901.....	\$600,000 00	\$600,000 00	\$590,000 00	\$590,000 00
General mortgage—July 1, 1892, to July 1, 1912.....	1,500,000 00	908,000 00	908,000 00	908,000 00
Totals.....	\$2,100,000 00	\$1,508,000 00	\$1,498,000 00	\$1,498,000 00

Class of Bond or Obligation.	Rate.	When Payable.	Interest Accrued During Year.	Interest Paid During Year.
First mortgage.....	6%	May 1 and Nov. 1	\$35,400 00	\$35,400 00
General mortgage.....	5%	Jan. 1 and July 1	45,400 00	45,400 00
Totals.....			\$80,800 00	\$80,800 00

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$1,508,000 00	\$1,498,000 00

Interest accrued during year, \$80,800; interest paid during year, \$80,800.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash.....	\$1,202 76	Audited vouchers and acc'ts.....	\$5,034 68
Due from agents.....	4,208 19	Wages and salaries.....	13,012 19
Due from solvent companies and individuals.....	3,812 15	Matured interest coupons unpaid.....	29,049 96
		Miscellaneous.....	10,896 75
Total .....	\$9,223 10	Total.....	\$57,993 58

Materials and supplies on hand, \$2,857 58.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock.....	\$1,500,000 00)	\$3,055,993 58	90.50	\$33,767 88
Bonds.....	1,498,000 00)			
Current liabilities.....	57,993 58)			
Totals.....	\$3,055,993 58	\$3,055,993 58	90.50	\$33,767 88



*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.
North Pacific Coast R. R. ....	\$1,500,000 00	\$1,498,000 00	\$57,993 58	\$3,055,993 58
San Rafael & San Quentin R. R..	None.	None.	None.	None.
Totals .....	\$1,500,000 00	\$1,498,000 00	\$57,993 58	\$3,055,993 58

Name of Road.	Miles.	Amount per Mile of Line.
North Pacific Coast R. R. ....	90.50	\$33,767 88
San Rafael & San Quentin R. R. ....	3.50	None.
Totals .....	94.00	\$33,767 88

**COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.**

Total cost of construction during year, \$82,447; total cost to June 30, 1895, \$3,631,478 28; total cost to June 30, 1896, \$3,035,369 52 (having been reduced \$596,108 76); cost per mile, \$33,539 99.

**INCOME ACCOUNT.**

Gross earnings from operation .....	\$353,365 32	
Less operating expenses .....	267,074 24	
Total income .....		\$86,291 08
Deductions from income:		
Interest on funded debt accrued .....	\$80,800 00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	452 46	
Taxes .....	13,378 40	
Other deductions .....	203 60	
Total deductions from income .....		94,834 46
Deficit from operations of year ending June 30, 1896 .....		\$8,543 38
Deficit on June 30, 1895 .....		782,566 77
Deficit on June 30, 1896 .....		\$791,110 15

**EARNINGS FROM OPERATION.**

Item.	Total Receipts.	Actual Earnings.
Passenger revenue .....		\$194,479 20
Mail .....	\$7,353 89	
Express .....	12,406 74	
Extra baggage and storage .....	63 15	
Other items .....	9,897 33	
		29,721 11
Total passenger earnings .....		\$224,200 31
Freight revenue .....		129,165 01
Total passenger and freight earnings .....		\$353,365 32

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway.....	\$37,620 18
Renewals of rails .....	2,908 46
Renewals of ties .....	996 45
Repairs and renewals of bridges and culverts .....	8,940 22
Repairs and renewals of fences, road crossings, signs, and cattle guards ..	2,612 78
Repairs and renewals of buildings and fixtures .....	2,003 22
Repairs and renewals of docks and wharves .....	1,880 89
Other expenses .....	347 39
Total .....	\$57,309 59
Maintenance of equipment:	
Superintendence .....	\$844 05
Repairs and renewals of locomotives .....	7,447 58
Repairs and renewals of passenger cars .....	4,138 49
Repairs and renewals of freight cars .....	3,715 97
Repairs and renewals of marine equipment .....	6,595 96
Repairs and renewals of shop machinery and tools .....	1,281 67
Other expenses .....	1,187 10
Total .....	\$25,210 81
Conducting transportation:	
Superintendence .....	\$2,400 00
Engine and roundhouse men .....	16,240 99
Fuel for locomotives .....	29,271 34
Water supply for locomotives .....	1,273 84
Oil, tallow, and waste for locomotives .....	1,215 44
Other supplies for locomotives .....	33 56
Train service .....	12,032 75
Train supplies and expenses .....	595 26
Switchmen, flagmen, and watchmen .....	1,875 25
Telegraph expenses .....	1,320 00
Station service .....	23,756 37
Station supplies .....	1,245 26
Loss and damage .....	832 11
Injuries to persons .....	375 00
Operating marine equipment .....	62,374 50
Advertising .....	904 55
Rents for tracks, yards, and terminals .....	10,100 00
Stationery and printing .....	2,056 94
Other expenses .....	751 00
Total .....	\$168,691 16
General expenses:	
Salaries of general officers .....	\$8,400 00
Salaries of clerks and attendants .....	2,248 35
General office expenses and supplies .....	1,770 09
Insurance .....	1,910 45
Law expenses .....	1,005 20
Stationery and printing (general offices) .....	50 65
Other expenses .....	437 94
Total .....	\$15,862 68
Recapitulation of expenses:	
Maintenance of way and structures .....	\$57,309 59
Maintenance of equipment .....	25,210 81
Conducting transportation .....	168,691 16
General expenses .....	15,862 68
Grand total .....	\$287,074 24
Percentage of operating expenses to earnings .....	75.58

## RENTALS PAID.

Item.	Cash.
Rents paid for leased roads: San Rafael & San Quentin Railroad.....	\$1 (nominal).
Other rentals paid:	
Property in San Francisco, owned by State.....	\$8,600 00
Property at San Quentin Junction, owned by — Buckelew.....	1,500 00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Decrease.
\$3,631,478 28	Cost of road and equipment.....	\$3,035,369 52	
26,713 83	Cash and current assets.....	9,223 10	
2,310 45	Materials and supplies.....	2,857 58	
782,566 77	Profit and loss.....	8,543 38	
<b>\$4,443,069 33</b>	<b>Totals.....</b>	<b>\$3,055,993 58</b>	<b>\$1,387,075 75</b>
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Decrease.
\$2,879,500 00	Capital stock.....	\$1,500,000 00	
1,498,000 00	Funded debt.....	1,498,000 00	
65,569 33	Current liabilities.....	57,993 58	
<b>\$4,443,069 33</b>	<b>Totals.....</b>	<b>\$3,055,993 58</b>	<b>\$1,387,075 75</b>

## IMPORTANT CHANGES DURING THE YEAR.

Capital stock to the amount of 13,795 shares has been surrendered to the company, so as to reduce the value of the property on account of depreciation, and also to expunge the old profit and loss account.

## CONTRACTS, AGREEMENTS, ETC.

1. Express with Wells, Fargo & Co.
2. United States mails from San Francisco to Cazadero, San Quentin, and Mill Valley.
5. Transportation of freight and passengers with San Francisco & North Pacific Railway Company.
7. Telegraph with Western Union Telegraph Company. We furnish agents and do their business "free" when one agent can attend to it; when it goes beyond that, they furnish their own agent and operator.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount of Mortgage per Mile of Line.
First mortgage general bonds ...	San Francisco to Cazadero .....	86.75	\$16,552 48.6
	Mill Valley Junc. to Mill Valley ..	1.75	
	San Anselmo to San Rafael .....	2.00	

All equipment mortgaged. Securities mortgaged: 5.958 acres land in Sonoma County.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General officers .....	5	1,830	\$12,300 00	\$6 72
General office clerks .....	3	1,170	2,288 85	1 96
Station agents .....	21	7,657	14,067 43	1 84
Other station men .....	17	4,869	8,214 80	1 69
Enginemen .....	12	2,462	9,043 23	3 67
Firemen .....	13	2,317	5,042 07	2 18
Conductors .....	10	2,211	6,438 53	2 91
Other trainmen .....	15	3,270	5,538 75	1 69
Machinists .....	2	505	1,689 10	3 34
Carpenters .....	1	304	1,061 55	3 49
Other shopmen .....	27	6,664	12,974 97	1 95
Section foremen .....	11	4,001	8,525 31	2 13
Other trackmen .....	85	23,395	31,586 61	1 35
Switchmen, flagmen, and watchmen ..	3	1,096	1,868 25	1 70
Telegraph operators and dispatchers ..	1	366	1,320 00	3 61
Employés—account floating equipment..	33	9,502	22,540 50	2 37
Totals (including general officers)....	259	71,619	\$144,509 45	\$2 02
Less general officers .....	5	1,830	12,300 00	-----
Totals (excluding general officers)....	254	69,789	\$132,209 45	\$1 89
Distribution of above:				
General administration .....	8	3,000	\$14,588 35	\$4 86
Maintenance of way and structures...	96	27,396	40,121 92	1 46
Maintenance of equipment .....	30	7,473	15,725 62	2 10
Conducting transportation .....	125	33,750	74,073 56	2 02
Totals (including general officers) ..	259	71,619	\$144,509 45	\$2 02
Less general officers .....	5	1,830	12,300 00	-----
Totals (excluding general officers) ..	254	69,789	\$132,209 45	\$1 89

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue .....	1,167,427	
Number of passengers carried one mile .....	15,245,068	
Number of passengers carried one mile per mile of road .....	162,182	
Average distance carried—miles .....	13.059	
Total passenger revenue .....		\$194,479 20
Average amount received from each passenger .....		16.659
Average receipts per passenger per mile .....		01.276
Total passenger earnings .....		224,200 31
Passenger earnings per mile of road .....		2,385 10.968
Passenger earnings per train mile .....		1 00.809
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue .....	74,798	
Number of tons carried one mile .....	3,348,261	
Number of tons carried one mile per mile of road .....	35,620	
Average distance haul of one ton—miles .....	44.764	
Total freight revenue .....		129,165 01
Average amount received for each ton of freight .....		1 72.685
Average receipts per ton per mile .....		03.828
Total freight earnings .....		129,165 01
Freight earnings per mile of road .....		1,374 09.585
Freight earnings per train mile .....		1 49.818
<b>Passenger and freight:</b>		
Passenger and freight revenue .....		323,644 21
Passenger and freight revenue per mile of road .....		3,443 02.351
Passenger and freight earnings .....		353,365 32
Passenger and freight earnings per mile of road .....		3,759 20.553
Gross earnings from operation .....		353,365 32
Gross earnings from operation per mile of road .....		3,759 20.553
Gross earnings from operation per train mile .....		1 14.499
Operating expenses .....		267,074 24
Operating expenses per mile of road .....		2,841 21.532
Operating expenses per train mile .....		86,539
Income from operation .....		86,291 08
Income from operation per mile of road .....		917 99.021
<b>Train mileage:</b>		
Miles run by passenger trains .....	222,402	
Miles run by freight trains .....	86,215	
Total mileage trains earning revenue .....	308,617	
Miles run by construction and other trains .....	10,310	
Grand total train mileage .....	318,927	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road— Tons.	Total Freight Tonnage.	Per Cent.
<b>Products of agriculture:</b>			
Grain .....	301	301	.40
Flour .....	25	25	.03
Hay .....	576	576	.77
Fruit and vegetables .....	2,714	2,714	3.63
<b>Products of animals:</b>			
Live stock .....	2,248	2,248	3.01
Dressed meats .....	567	567	.76
Poultry, game, and fish .....	35	35	.04
Butter .....	878	878	1.18
<b>Products of forest:</b>			
Bark .....	1,039	1,039	1.39
Lumber .....	10,929	10,929	14.61
Wood .....	22,139	22,139	29.59
Charcoal .....	1,323	1,323	1.17
Manufactures: Wines, liquors, and beers .....	192	192	.26
Miscellaneous: Other commodities not mentioned above .....	31,828	31,828	42.56
Total tonnage .....	74,798	74,798	100.00

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives:	
Passenger.....	9
Freight.....	3
Total.....	12
Cars in passenger service:	
First-class cars.....	28
Combination cars.....	5
Baggage, express, and postal cars.....	3
Other cars in passenger service.....	14
Total.....	50
Cars in freight service:	
Box cars.....	43
Flat cars.....	284
Stock cars.....	12
Total.....	339
Cars in company's service:	
Caboose cars.....	2
Total cars owned.....	391

All locomotives and 38 passenger cars are equipped with the Westinghouse air-brake; all passenger cars are supplied with the Miller coupler.

## MILEAGE.

## A. Mileage of Road Operated—All Tracks.

Line in Use.	Main Line.	Branches and Spurs.	Line Operated Under Lease.	Total Mileage Operated.	Iron Rails.	Steel Rails.
Miles of single track.....	80.75	3.75	3.50	88.00	41.25	46.75
Miles of second track.....	3.25	-----	-----	3.25	-----	3.25
Miles of yard track and sid- ings.....	12.00	-----	-----	12.00	12.00	-----
Total mileage operated....	96.00	3.75	3.50	103.25	53.25	50.00

## B. Mileage of Line Operated, by States and Territories—Single Track.

State.	Main Line.	Branches and Spurs.	Line Operated Under Lease.	Total Mileage Operated.	Iron Rails.	Steel Rails.
California.....	80.75	3.75	3.50	88.00	41.25	46.75

## C. Mileage of Line Owned, by States and Territories—Single Track.

State.	Main Line.	Branches and Spurs.	Total Mileage Owned.	Iron Rails.	Steel Rails.
California.....	80.75	3.75	84.50	37.75	46.75

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Soft Wood —Cords.	Total Fuel Consumed— Tons.	Miles Run.	Average Lbs. Consumed per Mile.
Passenger .....	1,858.75	3,890.00	3,803.75	222,402	34.20
Freight .....	7.50	2,926.50	1,470.75	88,215	34.12
Construction .....		289.00	144.50	10,310	28.03
Totals .....	1,866.25	7,105.50	5,419.00	318,927	33.98

Average cost at distributing point: Coal, \$5 88 per ton; wood, \$2 69 per cord.

## ACCIDENTS.

Persons—Kind of Accident.	Killed.	Injured.
Trainmen—"Other causes" .....	1	1
Passengers—"Other train accidents" .....		1
Others (not trespassing)—At highway crossings .....		1
Totals .....	1	3

One employé killed by running locomotive on apron at freight slip, contrary to orders.  
 One employé injured at freight slip.  
 One person injured by running into locomotive.  
 One passenger injured foot on train.

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden .....	12	780 feet.	60 feet.	150 feet.
Combination .....	1			
Total .....	13			
Tunnels .....	5	7,321 feet.	400 feet.	2,629 feet.

Item.	Height Above Surface of Rail.
Tunnels .....	13 ft. 6 in.

Gauge of track, 3 feet; length, 84.50 miles.

TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD  
 MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
88	88	Western Union .....	North Pacific Coast Railroad Company.

STATE OF CALIFORNIA, }  
City and County of San Francisco. } ss.

I, the undersigned, James B. Stetson, President of the North Pacific Coast Railroad Company, on my oath, do say that the foregoing return has been prepared, under my direction, from the original books, papers, and records of said company; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JAMES B. STETSON,  
President.

Subscribed and sworn to before me, this 8th day of August, 1896.

HARRY N. STETSON,  
Notary Public in and for the City and County of San Francisco, State of California.

## PACIFIC COAST RAILWAY COMPANY.

[For the year ending November 30, 1895.]

### HISTORY.

1. Name of common carrier making this report: Pacific Coast Railway Company.
2. Date of organization: September 21, 1882.
3. Under laws of what Government, State, or Territory organized: State of California.
4. Names of constituent companies: Consolidation of the San Luis Obispo & Santa Maria Valley Railroad Company (organized April 16, 1875), and the Pacific Coast Railroad Company (organized April 18, 1882).
5. Date and authority for each consolidation: September 18, 1882, for 50 years. Lawful by the laws of the State of California, having obtained, in writing, consent of stockholders representing three fourths in value of all the stock of each corporation.

### ORGANIZATION.

Names of Directors.	Post Office Address.
C. J. Smith .....	Seattle, Washington.
John L. Howard .....	San Francisco.
Chas. Goodall .....	San Francisco.
Edwin Goodall .....	San Francisco.
Sidney V. Smith .....	San Francisco.
S. G. Murphy .....	San Francisco.
Wm. Norris .....	San Francisco.
W. H. Starbuck .....	New York.
F. A. Prince .....	New York.

Directors elected annually at stockholders' meeting the first Thursday after December 20th, excepting when same falls on holiday or Sunday; then on the day following.

Total number of stockholders at date of last election: 10.

Last meeting of stockholders for election of Directors: January 15, 1895. There was a special meeting October 17, 1895.

Post Office address of general office: San Francisco.

Post Office address of operating office: San Luis Obispo, Cal.

Name and address of officer to whom correspondence regarding this report should be addressed: J. G. Whittington, Accountant, San Francisco.



## OFFICERS.

Title.	Name.	Location of Office.
President .....	C. J. Smith .....	Seattle, Wash.
Vice-President .....	John L. Howard .....	San Francisco.
Secretary .....	Edwin Goodall .....	San Francisco.
Treasurer .....	Oregon Improvement Co., C. J. Smith, Receiver .....	Seattle, Wash.
Attorney, or General Counsel .....	Wilcoxon & Bouldin .....	San Luis Obispo.
Accountant .....	J. G. Whittington .....	San Francisco.
General Superintendent, and General Freight, Passenger, and Baggage Agent .....	C. O. Johnson .....	San Luis Obispo.

## PROPERTY OPERATED.

Name of Road.	Miles of Line for Each Road Named.	Miles for Each Class of Roads Named.
Class 1—Pacific Coast Railway :		
Port Harford to San Luis Obispo .....	10 $\frac{3}{10}$	
San Luis Obispo to Santa Maria .....	31 $\frac{1}{10}$	
Santa Maria to Los Alamos .....	22 $\frac{1}{10}$	
Los Alamos to Los Olivos .....	12 $\frac{1}{10}$	
		76 $\frac{1}{10}$ A
Spur at San Luis Obispo .....	1 $\frac{8}{10}$	
Spur at Blakes .....	$\frac{1}{10}$	
		1 $\frac{9}{10}$ B
Total .....		78

This company also operates (and owns) a wharf at Port Harford, Cal.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$1,370,400, divided into 13,704 shares of a par value of \$100 each. The total amount issued and outstanding is \$1,370,400; total number of shares issued and outstanding, 13,704. No dividends were declared during the year.

Issued for construction: 1,370 bonds.

Construction contract of October 2, 1882, with Oregon Improvement Co.—Substance: The Oregon Improvement Co. will complete road already constructed, make changes and extensions, furnish additional equipment, etc.; assumes floating debt, and all outstanding obligations. In lieu of the above the Oregon Improvement Co. receives entire capital stock, and also receives from the trustee the entire bond issue as per terms of contract.

## FUNDED DEBT.

In November, 1882, first mortgage bonds were issued by the company to the amount of \$1,370,000; amount outstanding, \$1,370,000. These bonds mature in 1922, and bear 6 per cent interest, payable semi-annually. The amount of interest accruing during year was \$82,200, which was paid in full.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$1,370,000 00	\$1,370,000 00

Interest accrued during year, \$82,200; interest paid during year, \$82,200.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including November 30, 1895.
Due from agents..... \$1,967 99	Audited vouchers and accounts. \$14,501 90
Due from solvent companies and individuals..... 7,505 92	Wages and salaries..... 5,280 04
Other cash assets..... 6,651 00	Matured interest coupons unpaid..... 20,550 00
Oregon Improvement Co..... 270,050 69	Total current liabilities..... \$40,331 94
Total..... \$286,175 60	Balance—cash assets..... 245,943 66
	Total..... \$286,175 60

Materials and supplies on hand, \$35,285 66.

The Oregon Improvement Co. (owning entire stock and bonds) acts as Treasurer for the Pacific Coast Railway Company; all collections, or receipts, are deposited to their credit, and they do the disbursing for account of the railway company.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock.....	\$1,370,400 00	\$1,370,400 00	78	\$17,569 00
Bonds.....	1,370,000 00	1,370,000 00		17,564 00
Current liabilities.....	40,331 94	40,331 94		517 00
Totals.....	\$2,780,731 94	\$2,780,731 94	78	\$35,650 00

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.	Miles.	Amount per Mile of Line.
Pacific Coast Railway ..	\$1,370,400	\$1,370,000	\$40,331 94	\$2,780,731 94	78	\$35,650 00

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Total Cost to Nov. 30, 1895.
Construction:	
Right of way .....	\$7,432 36
Other real estate .....	1,013 50
Fences .....	46,710 28
Grading, and bridge and culvert masonry .....	168,292 29
Bridges and trestles .....	31,727 11
Rails .....	71,979 25
Ties .....	20,930 28
Other superstructure .....	2,081 91
Buildings, furniture, and fixtures .....	28,839 53
Shop machinery and tools .....	9,286 51
Engineering expenses .....	18,923 57
Interest during construction .....	20,056 06
Discount on securities sold for construction .....	838,628 86
Telegraph line .....	501 55
Wharfing, etc. ....	33,208 22
Sidings and yard extensions .....	3,516 38
Purchase of constructed road and equipment .....	939,624 81
Other items .....	11,977 59
Equipment:	
Locomotives .....	16,934 18
Passenger and baggage cars .....	22,450 20
Freight cars .....	9,120 05
Other cars of all classes .....	50,784 03
Total cost construction, equipment, etc. ....	\$2,354,018 53

Cost per mile, \$30,179 72.

## INCOME ACCOUNT.

Gross earnings from operation .....	\$112,372 38	
Less operating expenses .....	80,000 04	
Income from operation .....	\$32,372 34	
Less expenses .....	1,134 73	
Total income .....		\$31,237 61
Deductions from income:		
Interest on funded debt accrued .....	\$82,200 00	
Taxes .....	6,263 18	
Total deductions from income .....		88,463 18
Deficit .....		\$57,225 57
Deficit from operations of year ending November 30, 1895 .....		\$57,225 57
Deficit on November 30, 1894 .....		25,694 67
Deductions for year .....		22,351 92
Deficit on November 30, 1895 .....		\$105,272 18

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue .....	\$31,362 27		
Tickets redeemed .....		\$64 85	
Excess fares refunded .....		77 30	
Total deductions .....		\$142 15	
Total passenger revenue .....			\$31,220 12
Mail .....			5,699 92
Express .....			582 50
Extra baggage and storage .....			63 72
Total passenger earnings .....			\$37,566 26

## EARNINGS FROM OPERATION—Continued.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Freight revenue .....	\$79,287 04		
Less overcharge to shippers .....		\$4,480 92	
Total freight revenue .....			\$ 74,806 12
Total gross earnings from operation .....			\$112,372 38

## MISCELLANEOUS INCOME.

Item.	Gross Income.	Less Expenses.	Net Income.
Warehouses and wharf property ..	\$14,894 32	\$16,205 43	*\$1,311 11
Interest discounts .....	176 38		176 38
Totals .....	\$15,070 70	\$16,205 43	*\$1,134 73

\*Deduction.

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway, and renewals of rails and ties .....	\$23,434 08
Repairs and renewals of bridges and culverts .....	2,059 84
Repairs and renewals of fences, road crossings, signs, and cattle guards ..	906 31
Repairs and renewals of buildings and fixtures .....	1,568 58
Repairs and renewals of telegraph .....	136 16
Total .....	\$28,104 97
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$4,091 10
Repairs and renewals of passenger cars .....	2,524 79
Repairs and renewals of freight cars .....	2,343 30
Repairs and renewals of shop machinery and tools .....	737 79
Total .....	\$10,196 98
Conducting transportation:	
Engine and roundhouse men .....	\$4,061 82
Fuel for locomotives .....	12,333 14
Water supply for locomotives .....	297 80
Oil, tallow, and waste for locomotives .....	242 66
Other supplies for locomotives .....	133 78
Train service .....	4,481 83
Train supplies and expenses .....	1,802 45
Station service .....	8,936 05
Station supplies .....	1,191 89
Loss and damage .....	447 94
Injuries to persons .....	745 60
Advertising and printing .....	238 71
Total .....	\$34,913 67
General expenses:	
Salaries of clerks and attendants, and general office expenses and sup- plies .....	\$4,730 20
Insurance .....	1,645 64
Law expenses .....	408 53
Total .....	\$6,784 42
Recapitulation of expenses:	
Maintenance of way and structures .....	\$28,104 97
Maintenance of equipment .....	10,196 98
Conducting transportation .....	34,913 67
General expenses .....	6,784 42
Grand total .....	\$80,000 04
Percentage of operating expenses to earnings .....	71.2

Operating accounts as prescribed by the Commission not adopted by the Pacific Coast Railway Company until December 1, 1895.

## COMPARATIVE GENERAL BALANCE SHEET.

Nov. 30, 1894.	Assets.	Nov. 30, 1895.	Nov. 30, 1895— Increase.	Nov. 30, 1895— Decrease.
\$2,354,018 52	Cost of road and equipment .....	\$2,354,018 52		
331,567 59	Cash and current assets .....	288,175 60		\$45,391 99
66,212 11	Materials and supplies .....	35,265 66		30,946 45
25,694 67	Profit and loss .....	105,272 16	\$79,577 49	
\$2,777,492 89	Totals .....	\$2,780,731 94	\$3,239 05	
Nov. 30, 1894.	Liabilities.	Nov. 30, 1895.	Nov. 30, 1895— Increase.	Nov. 30, 1895— Decrease.
\$1,370,400 00	Capital stock .....	\$1,370,400 00		
1,370,000 00	Funded debt .....	1,370,000 00		
16,542 89	Current liabilities .....	19,781 94	\$3,239 05	
20,550 00	Accrued interest on funded debt not yet payable .....	20,550 00		
\$2,777,492 89	Totals .....	\$2,780,731 94	\$3,239 05	

## EMPLOYÉS AND SALARIES.

Class.	Number.	Number of Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers* .....	2	730	\$2,349 98	\$3 22
Other officers .....	2	730	2,895 00	3 97
General office clerks .....	6	1,587	2,292 15	1 45
Station agents .....	6	2,196	3,699 25	1 69
Other station men .....	9	1,870	2,137 60	1 15
Enginemen .....	2	684	2,251 10	3 39
Firemen .....	2	680	1,362 00	2 00
Conductors .....	2	738	1,988 15	2 70
Other trainmen .....	6	1,229	2,053 65	1 67
Machinists .....	1	290	939 30	3 24
Carpenters .....	5	1,457	3,808 27	2 61
Other shopmen .....	14	3,429	6,813 55	1 99
Section foremen .....	6	2,481	4,894 00	1 97
Other trackmen .....	35	8,648	13,837 93	1 60
Switchmen, flagmen, and watchmen	2	730	750 00	1 03
Telegraph operators and dispatch- ers .....	2	546	923 80	1 70
All other employés and laborers .....	11	750	1,117 63	1 49
Total (including general officers) .....	111	28,755	\$54,118 86	\$1 96
Less general officers .....	2	730	2,349 98	
Total (excluding general officers) .....	109	28,025	\$51,768 88	\$1 85
Distribution of above:				
General administration .....			\$4,642 13	
Maintenance of way and struc- tures .....			24,920 78	
Maintenance of equipment .....			7,017 27	
Conducting transportation .....			17,538 18	
Total (including general officers) .....			\$54,118 86	
Less general officers .....			2,349 98	
Total (excluding general officers) .....			\$51,768 88	

\* General officers receiving no compensation from Pacific Coast Railway Company: President, Vice-President, and Secretary.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount of Mortgage per Mile of Line.
First mortgage .....	Port Harford to Los Olivos.	78	\$17,564 00

All equipment is mortgaged.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	34,155	
Number of passengers carried one mile .....	747,790	
Number of passengers carried one mile per mile of road .....	437 <sup>3</sup> / <sub>8</sub>	
Average distance carried—miles .....	20 <sup>3</sup> / <sub>8</sub>	
Total passenger revenue .....		\$31,220 12
Average amount received from each passenger .....		91.407
Average receipts per passenger per mile .....		04.176
Total passenger earnings .....		37,566 28
Passenger earnings per mile of road .....		481 61.872
Passenger earnings per train mile .....		19.424
Freight traffic:		
Number of tons carried of freight earning revenue .....	47,280 <sup>3</sup> / <sub>8</sub>	
Number of tons carried one mile .....	1,491,010	
Number of tons carried one mile per mile of road .....	606 <sup>3</sup> / <sub>8</sub>	
Average distance haul of one ton—miles .....	31 <sup>3</sup> / <sub>8</sub>	
Total freight revenue .....		74,806 12
Average amount received for each ton of freight .....		1 58.219
Average receipts per ton per mile .....		05.017
Total freight earnings .....		74,806 12
Freight earnings per mile of road .....		959 05
Freight earnings per train mile .....		27.772
Passenger and freight:		
Passenger and freight revenue .....		106,026 24
Passenger and freight revenue per mile of road .....		1,359 31
Passenger and freight earnings .....		112,372 38
Passenger and freight earnings per mile of road .....		1,440 67
Gross earnings from operation .....		112,372 38
Gross earnings from operation per mile of road .....		1,440 67
Gross earnings from operation per train mile .....		24.283
Operating expenses .....		80,000 04
Operating expenses per mile of road .....		1,025 64
Operating expenses per train mile .....		17.288
Income from operation .....		32,372 34
Income from operation per mile of road .....		415 03
Train mileage:		
Miles run by passenger trains .....	193,399	
Miles run by freight trains .....	269,357	
Grand total train mileage .....	462,756	
Mileage of loaded freight cars—north .....	116,177	
Mileage of loaded freight cars—south .....	74,972	
Mileage of empty freight cars—north .....	23,649	
Mileage of empty freight cars—south .....	54,559	
Average number of freight cars in train .....	} Not on record.	
Average number of loaded cars in train .....		
Average number of empty cars in train .....		
Average number of tons of freight in train .....		
Average number of tons of freight in each loaded car .....		

## IMPORTANT CHANGES DURING THE YEAR.

Nothing of importance.

## CONTRACTS, AGREEMENTS, ETC.

*U. S. Government Post Office Department.*—To carry Mail Route 46,041, San Luis Obispo to Los Olivos; to carry Mail Route 46,040, San Luis Obispo to Port Harford.

*Western Union Telegraph Company.*—This company furnishes operators for transaction of their business over line constructed by telegraph company.

*Wells, Fargo & Co.'s Express.*—To transmit their freight and treasure over this company's line between stations, at first-class freight rates.

*Pacific Coast Steamship Company.*—To sell coupon tickets over their line, and they to sell over this company's line.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road—Tons.	Received from Connecting Roads— Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain .....	10,245	19	10,264	21.71
Flour .....	305	288	593	1.25
Hay .....	100	—	100	.21
Fruit and vegetables .....	1,217	102	1,319	2.80
Beans .....	3,702	—	3,702	7.83
Products of animals:				
Live stock .....	1,351	10	1,361	2.88
Wool .....	106	—	106	.21
Hides and leather .....	143	—	143	.30
Products of mines:				
Bituminous coal .....	503	13	516	1.09
Ores .....	22	—	22	.06
Stone, sand, and other like articles .....	332	23	355	.76
Bituminous rock .....	4,431	—	4,431	9.37
Products of forest: Lumber .....	1,417	6,191	7,608	16.09
Manufactures:				
Cement, brick, and lime .....	295	227	522	1.10
Agricultural implements .....	17	30	47	.10
Merchandise .....	4,892	6,662	11,554	24.44
Miscellaneous: Other commodities not mentioned above .....	3,334	1,303	4,637	9.81
Total tonnage .....	32,412	14,868	47,280	100.00

## DESCRIPTION OF EQUIPMENT.

Item.	Total at End of Year.
Locomotives .....	6
Cars in passenger service:	
First-class cars .....	6
Combination cars .....	2
Baggage, express, and postal cars .....	2
Total .....	10
Cars in freight service:	
Box cars .....	23
Flat cars .....	154
Stock cars .....	11
Total .....	188
Cars in company's service:	
Derrick cars .....	1
Other road cars .....	23
Total .....	24
Total cars owned .....	222

Five of the locomotives are equipped with the Westinghouse air-brake and Miller coupler; all cars in the passenger service are equipped with the Westinghouse brake and Miller coupler. Freight cars and those in the company's service are supplied with ordinary hand-brakes and link and pin couplers.

## MILEAGE.

*A. Mileage of Road Operated—All Tracks.*

Line in Use.	Main Line.	Branches and spurs.	Total Mileage Operated.	Iron Rails.	Steel Rails.
Miles of single track.....	76 $\frac{1}{10}$	1 $\frac{2}{10}$	78	27 $\frac{2}{10}$	50 $\frac{1}{10}$
Miles of yard track and sidings.....	3 $\frac{6}{10}$	-----	3 $\frac{6}{10}$	3 $\frac{6}{10}$	-----
Total mileage operated.....	79 $\frac{7}{10}$	1 $\frac{2}{10}$	81 $\frac{6}{10}$	31 $\frac{8}{10}$	50 $\frac{1}{10}$

*B. Mileage of Line Owned and Operated, by States and Territories—Single Track.*

State.	Main Line.	Branches and Spurs.	Total Mileage Operated.	Iron Rails.	Steel Rails.
California .....	76 $\frac{1}{10}$	1 $\frac{2}{10}$	78	27 $\frac{2}{10}$	50 $\frac{1}{10}$

## NEW RAILS LAID DURING YEAR.

Kind.	Tons.	Weight per Yard.	Average Price per Ton.
Iron .....	4 $\frac{15}{100}$	35	\$20 70
Steel .....	34 $\frac{9}{10}$	45	38 50

## NEW TIMS LAID DURING YEAR.

Kind.	Number.	Average Price.
Redwood, 7 x 8 x 8 .....	6,324	36 $\frac{1}{10}$ cts.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Hard Wood—Cords.	Total Fuel Consumed—Tons.	Miles Run.	Average Pounds Consumed per Mile.
Passenger .....	431.70	654.63	888.12	51,400	37.83
Freight .....	391.54	593.74	787.36	45,940	38.39
Switching and miscellaneous .....	180.92	274.03	363.41	20,750	39.23
Totals .....	1,003.96	1,522.40	2,018.89	118,090	38.29

Average cost at distributing point: \$5 16 per ton for coal; \$4 70 per cord for wood.

## ACCIDENTS TO PERSONS.

Persons—Kind of Accident.	Killed.	Injured.
Trainmen—fell from train .....	-----	1
Other employes—at stations .....	-----	2
Others (not trespassing)—at highway crossings .....	1	1
Totals .....	1	4



Brakeman blown off lumber car, slightly injured.

Other employes: Laborer injured lifting heavy rail; laborer fell from tank while painting—injury slight.

Others: I. Kyte, driving immediately in front of train at private crossing, injured; recovered in 30 days; F. Assis, Indian, struck at crossing and killed.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.		
		Number of Curves	Aggregate Length of Curved Line—Miles .....	Length of Straight Line—Miles .....
Port Harford to Los Olivos .....	76.70	208	21.39	55.09

Working Divisions or Branches.	Profile.						
	Length of Level Line—Miles .....	Number of Ascending Grades..	Sum of Ascents of Ascending Grades—Feet .....	Aggregate Length of Ascending Grades—Miles ..	Number of Descending Grades	Sum of Descents of Descending Grades—Feet .....	Aggregate Length of Descending Grades—Miles .....
Port Harford to Los Olivos ....	6.80	27	2,018.1	44.13	24	1,201.3	25.55

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden .....	2	224 ft. 6 in.	98 ft.	126 ft. 6 in.
Combination .....	1	396 ft.	396 ft.	396 ft.
Totals .....	3	620 ft. 6 in.		
Trestles .....	95	9,812 ft.	12 ft.	3,510 ft.

Gauge of track, 3 feet; length, 78 miles.

TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD MAKING THIS REPORT.

Miles of Line.	Name of Owner.	Name of Operating Company.
78	Western Union Telegraph Company ..	Western Union Telegraph Company.

STATE OF CALIFORNIA,  
City and County of San Francisco. } ss.

We, the undersigned, John L. Howard, Vice-President, and J. G. Whittington, Accountant, of the Pacific Coast Railway Company, on our oath, do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JOHN L. HOWARD,  
Vice-President.  
J. G. WHITTINGTON,  
Accountant.

Subscribed and sworn to before me, this 5th day of May, 1896.

JAMES L. KING,  
Notary Public.

## NEVADA-CALIFORNIA-OREGON RAILWAY.

### HISTORY.

1. Name of common carrier making this report: Nevada-California-Oregon Railway.
2. Date of organization: April 2, 1888.
3. Under laws of what Government, State, or Territory organized: Under the laws of the State of Nevada.
4. Name the constituent companies: Inapplicable.
5. Date and authority for each consolidation: Inapplicable.
6. Name of original corporation: Inapplicable.

### ORGANIZATION.

Names of Directors.	Post Office Address.
Daniel Comyn Moran .....	New York.
Erasmus Gest .....	Reno, Nev.
Robt. L. Fulton .....	Reno, Nev.
A. H. Manning .....	Reno, Nev.
One vacancy .....	

Date of expiration of term undetermined; dependent upon further actions of stockholders.

Number of stockholders at date of last election: 10.

Last meeting of stockholders for election of Directors: March 22, 1888.

Post Office address of general and operating offices: Reno, Washoe County, Nev.

Name and address of officer to whom correspondence regarding this report should be addressed: E. Gest, Manager, Reno, Nevada.

### OFFICERS.

Title.	Name.	Location of Office.
President .....	Daniel Comyn Moran .....	68 William St., New York.
Vice-President .....	Erasmus Gest .....	Reno, Nev.
Secretary .....	Frank R. Lewis .....	Reno, Nev.
Treasurer .....	Moran Brothers .....	68 William St., New York.
Cashier .....	Frank R. Lewis .....	Reno, Nev.
Auditor .....	Frank R. Lewis .....	Reno, Nev.
General Manager and Chief Engineer .....	Erasmus Gest .....	Reno, Nev.
Traffic Manager .....	John M. Fulton .....	Reno, Nev.

The duties of General Freight Agent, General Passenger Agent, General Ticket Agent, and General Baggage Agent are performed by John M. Fulton.

## PROPERTY OPERATED.

This company operates the Nevada-California-Oregon Railway, from Reno, Nevada, to Amedee, California, a distance of 79 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$2,200,000, divided into 22,000 shares of a par value of \$100 each. Ten per cent (or 2,200 shares) has been subscribed, payable on demand in pursuance of the statutes of Nevada.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$5,987 95	Loans and bills payable .....	\$32,596 75
Due from agents .....	716 68	Audited vouchers and accounts .....	4,817 48
Due from solvent companies and individuals .....	2,234 44	Wages and salaries .....	1,660 70
Total cash and current assets .....	\$8,939 07	Net traffic balances due to other companies .....	3,101 73
Balance—current liabilities .....	33,237 59		
Total .....	\$42,176 66	Total .....	\$42,176 66

Materials and supplies on hand, \$16,652 92.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Current liabilities .....	\$42,176 66	\$42,176 66	79	\$534 00

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Total Current Liabilities.	Miles.	Amount per Mile of Line.
Nevada-California-Oregon Railway Co. ....	\$42,176 66	79	\$534 00

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost per Mile.
Construction:				
Right of way .....		\$450 00	\$850 00	\$10 76
Other real estate .....	\$458 35	1,632 36	2,090 71	26 46
Fences, grading, bridge and culvert masonry, and bridges and trestles .....	9,435 10	25,435 93	34,871 03	441 41
Buildings, furniture, and fixtures .....	138 41	2,258 92	2,397 33	30 35
Sidings and yard extensions .....		3,658 00	3,658 00	46 30
Terminal facilities and elevators .....		348 99	348 99	4 42
Other items .....	21,164 90	2,122 82	23,287 72	294 78
Total construction .....	\$31,196 76	\$36,307 02	\$67,503 78	\$854 43
Equipment:				
Freight cars .....		1,924 26	1,924 26	24 36
Total cost construction, equipment, etc. ....	\$31,196 76	\$38,231 28	\$69,428 04	\$878 84

## INCOME ACCOUNT.

Gross earnings from operation .....	\$59,280 31	
Less operating expenses .....	41,868 00	
Income from operation .....		\$17,414 31
Income from other sources .....		78 48
Total income .....		\$17,490 79
Deductions from income:		
Rents paid for lease of road .....	\$205 00	
Taxes .....	4,547 53	
Other deductions .....	12 40	
Total deductions from income .....		4,764 93
Net income .....		\$12,725 86
Surplus from operations of year ending June 30, 1896 .....		\$12,725 86
Surplus on June 30, 1896 .....		34,421 81
Surplus on June 30, 1896 .....		\$47,147 67

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Actual Earnings.
Passenger revenue .....		\$11,629 47
Mail .....	\$8,037 75	
Express .....	703 30	
Extra baggage and storage .....	153 04	
		6,894 09
Total passenger earnings .....		\$18,523 56
Total freight earnings .....		39,327 85
Total passenger and freight earnings .....		\$57,851 41
Other earnings from operation:		
Switching charges .....	\$63 00	
Rents from tracks, yards, and terminals .....	588 25	
Other sources .....	777 65	
Total other earnings .....		1,428 90
Total gross earnings from operation .....		\$59,280 31

## RENTALS RECEIVED.

Designation of Property.	Situation of Property Leased.	Name of Company Using Property Leased.	Item.
Stockyards .....	Amedee, Cal. ....	Sundry parties .....	\$23 25
Warehouse .....	Amedee, Cal. ....	D. W. Earl & Co. ....	440 00
Ground rent .....	Reno, Nev. ....	Sundry parties .....	125 00
Total rents .....			\$588 25

Miscellaneous receipts: \$76 48.

## OPERATING EXPENSES.

Item.	Amount.
<b>Maintenance of way and structures:</b>	
Repairs of roadway .....	\$5,653 79
Renewals of rails .....	520 00
Renewals of ties .....	5,611 36
Repairs and renewals of bridges and culverts .....	32 30
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	361 80
Repairs and renewals of buildings and fixtures .....	453 94
Stationery and printing .....	1 83
Other expenses .....	177 97
<b>Total .....</b>	<b>\$12,812 99</b>
<b>Maintenance of equipment:</b>	
Repairs and renewals of locomotives .....	\$1,613 88
Repairs and renewals of passenger cars .....	900 81
Repairs and renewals of freight cars .....	2,116 67
Repairs and renewals of shop machinery and tools .....	54 00
Stationery and printing .....	6 10
Other expenses .....	217 65
<b>Total .....</b>	<b>\$4,909 11</b>
<b>Conducting transportation:</b>	
Engine and roundhouse men .....	\$3,756 50
Fuel for locomotives .....	5,543 40
Water supply for locomotives .....	422 14
Oil, tallow, and waste for locomotives .....	470 51
Train service .....	2,240 21
Train supplies and expenses .....	71 57
Station service .....	4,139 15
Station supplies .....	237 02
Loss and damage .....	13 40
Advertising .....	87 19
Stockyards and elevators .....	114 18
Stationery and printing .....	195 89
Other expenses .....	475 21
<b>Total .....</b>	<b>\$17,766 37</b>
<b>General expenses:</b>	
Salaries of general officers .....	\$3,750 00
Salaries of clerks and attendants .....	1,794 35
General office expenses and supplies .....	504 34
Law expenses .....	10 00
Stationery and printing (general offices) .....	181 06
Other expenses .....	137 78
<b>Total .....</b>	<b>\$6,377 53</b>
<b>Recapitulation of expenses:</b>	
Maintenance of way and structures .....	\$12,812 99
Maintenance of equipment .....	4,909 11
Conducting transportation .....	17,766 37
General expenses .....	6,377 53
<b>Grand total .....</b>	<b>\$41,866 00</b>
Percentage of operating expenses to earnings .....	70.6

## RENTALS PAID.

To Southern Pacific Company for rent of realty necessary to the operation of the road, and which should have been supplied by purchase, \$205.

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$36,307 02	Cost of road .....	\$67,503 78	\$31,196 76	
1,924 26	Cost of equipment .....	1,924 26		
20,473 54	Cash and current assets .....	8,939 07		\$11,534 47
18,263 14	Materials and supplies .....	16,652 92		1,610 22
\$76,967 96	Totals .....	\$95,020 03	\$18,052 07	
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	
\$37,003 90	Current liabilities .....	\$42,176 66		\$5,172 76
34,421 81	Profit and loss .....	47,147 67		12,879 81
5,542 25	Profit and loss—book account .....	5,695 70		
\$76,967 96	Totals .....	\$95,020 03	\$18,052 07	

## CONTRACTS, AGREEMENTS, ETC.

1. Wells, Fargo & Co.'s Express. Regular rate to Chat, 50 cents per 100 pounds; regular rate to Amedee, \$1 per 100 pounds; special rate to Chat, 25 cents per 100 pounds; special rate to Amedee, 50 cents per 100 pounds.

2. Mail according to Government rules.

3. No sleeping, parlor, or dining cars on the road.

4. No contracts with freight or transportation companies.

5. No contracts with other railroad companies.

6. No contracts with steamship companies.

7. No contracts with telegraph companies.

8. No other contracts.

## EMPLOYEES AND SALARIES.

Class.	Number.	Total Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers .....	2	732	\$3,750 00	\$5 12
General office clerks .....	2	785	2,039 35	2 60
Station agents .....	3	1,119	2,714 85	2 43
Other station men .....	2	621	1,171 70	1 88
Enginemen .....	2	675	2,361 60	3 50
Firemen .....	2	678	1,425 55	2 10
Conductors .....	2	651	2,105 52	3 23
Machinists .....	1	321	889 38	2 77
Other shopmen .....	2	623	1,256 00	2 00
Section foremen .....	2	634	1,646 46	2 60
Other trackmen .....	12	3,646	6,030 96	1 65
All other employes and laborers .....	2	658	1,042 60	1 58
Total (including general officers) .....	34	11,148	\$26,433 95	\$2 37
Less general officers .....	2	732	3,750 00	5 12
Total (excluding general officers) .....	32	10,416	\$22,683 95	\$2 18
Distribution of above:				
General administration .....	4	1,517	\$5,789 35	\$3 82
Maintenance of way and structures .....	16	4,938	8,720 02	1 77
Maintenance of equipment .....	3	949	2,145 36	2 26
Conducting transportation .....	11	3,744	8,779 22	2 61
Total (including general officers) .....	34	11,148	\$26,433 95	\$2 37
Less general officers .....	2	732	3,750 00	5 12
Total (excluding general officers) .....	32	10,416	\$22,683 95	\$2 18

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue.....	4,600	
Number of passengers carried one mile .....	260,950	
Number of passengers carried one mile per mile of road .....	3,303.165	
Average distance carried—miles.....	56.728	
Total passenger revenue.....		\$11,629 47
Average amount received from each passenger.....		2 52.815
Average receipts per passenger per mile.....		04.457
Total passenger earnings.....		18,523 56
Passenger earnings per mile of road.....		234 48
Passenger earnings per train mile.....		34.904
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue.....	16,484	
Number of tons carried one mile .....	1,049,230	
Number of tons carried one mile per mile of road.....	13,281.392	
Average distance haul of one ton—miles .....	63.729	
Total freight revenue.....		39,327 85
Average amount received for each ton of freight.....		2 38.872
Average receipts per ton per mile .....		03.748
Total freight earnings.....		39,327 85
Freight earnings per mile of road .....		497 82
Freight earnings per train mile .....		74.106
<b>Passenger and freight:</b>		
Passenger and freight revenue.....		50,957 32
Passenger and freight revenue per mile of road .....		645 03
Passenger and freight earnings.....		57,851 41
Passenger and freight earnings per mile of road .....		732 30
Gross earnings from operation .....		59,280 31
Gross earnings from operation per mile of road .....		750 38
Gross earnings from operation per train mile .....		1 11.702
Operating expenses.....		41,866 00
Operating expenses per mile of road .....		529 95
Operating expenses per train mile.....		78.888
Income from operation.....		17,414 31
Income from operation per mile of road .....		220 43
<b>Train mileage: Miles run by mixed trains .....</b>	<b>53,070</b>	
<b>Total mileage trains earning revenue .....</b>	<b>53,070</b>	
Miles run by switching trains .....	3,245	
Miles run by construction and other trains.....	4,630	
<b>Grand total train mileage .....</b>	<b>60,945</b>	
Mileage of loaded freight cars—north or east .....	41,793	
Mileage of loaded freight cars—south or west .....	99,887	
Mileage of empty freight cars—north or east .....	67,677	
Mileage of empty freight cars—south or west .....	13,448	
Average number of freight cars in train .....	5.812	
Average number of loaded cars in train .....	3.562	
Average number of empty cars in train .....	2.250	
Average number of tons of freight in train .....	25,323	
Average number of tons of freight in each loaded car .....	7.109	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originat- ing on this Road— Tons.	Received From Connect- ing Roads —Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain .....	630	0	630	3.83
Flour .....	112	18	130	.79
Other mill products .....	16	35	51	.31
Hay .....	11	0	11	.07
Fruit and vegetables .....	729	47	776	4.72
General farm products .....	147	62	209	1.27
Products of animals:				
Live stock .....	7,372	5	7,377	44.81
Dressed meats .....	24	1	25	.15
Other packing-house products .....	4	42	46	.28
Poultry, game, and fish .....	22	3	25	.15
Wool .....	402	0	402	2.44
Hides and leather .....	20	11	31	.19
Products of mines:				
Anthracite coal .....	2	12	14	.09
Ores, minerals, stone, sand, and other like articles .....	0	4	4	.03
Products of forest:				
Lumber .....	151	437	588	3.57
Cord wood .....	2,654	30	2,684	16.30
Manufactures:				
Petroleum and other oils .....	6	140	146	.89
Sugar .....	11	351	362	2.14
Iron (pig and bloom), and hardware .....	20	331	351	2.13
Iron and steel rails .....	0	467	467	2.84
Other castings and machinery .....	18	106	124	.76
Bar and sheet metal .....	0	32	36	.22
Cement, brick, and lime .....	12	12	24	.15
Agricultural implements .....	15	47	62	.38
Wagons, carriages, tools, etc. ....	12	68	80	.49
Wines, liquors, and beers .....	94	134	228	1.39
Household goods and furniture .....	37	72	109	.66
Chemicals and drugs .....	29	45	74	.45
Merchandise .....	100	1,051	1,151	6.99
Tobacco .....	4	44	48	.29
Miscellaneous: Other commodities not men- tioned above .....	163	19	182	1.11
Explosive .....	1	16	17	.11
Total tonnage .....	12,818	3,646	16,464	100.00

## MILEAGE OF ROAD OWNED AND OPERATED.

Line in Use.	Main Line.	Iron Rails.	Steel Rails.
Miles of single track .....	79.00	26.50	52.50
Miles of yard track and sidings .....	4.40	4.40	-----
Totals (all tracks) .....	83.40	30.90	52.50

There are 50.86 miles of main line in California and 28.14 miles in Nevada; 25.50 miles of steel and 25.36 miles of iron rails in California, and 27 miles of steel and 1.14 miles of iron rails in Nevada.



## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives:	
Freight .....	1
Mixed service .....	3
Total locomotives owned and in service .....	4
Cars in passenger service:	
First-class cars .....	2
Second-class cars .....	2
Combination cars .....	2
Other cars in passenger service .....	1
Total .....	7
Cars in freight service:	
Box cars .....	11
Flat cars .....	6
Stock cars .....	20
Total .....	37
Cars in company's service:	
Derrick cars .....	1
Caboose cars .....	1
Other road cars (dump 10, living 4) .....	14
Hand cars 4, push 3, snowplows 2 .....	9
Total .....	25
Total cars owned and in service .....	69

Rolling stock is equipped with neither train brakes nor automatic couplers.

## NEW TIES LAID DURING YEAR.

There were 18,809 soft pine ties laid during the year; average price at distributing point, 20.5 cents.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Soft Wood— Cords.	Total Fuel Consumed— Tons.	Miles Run.	Average Lbs. Consumed per Mile.
Passenger and freight .....	340.28	772.38	728.47	53,070	27.377
Switching .....	22.14	50.25	47.26	3,245	29.189
Construction .....		293.37	146.69	4,630	63.366
Totals .....	362.42	1,116.00	920.42	60,945	30.204

Average cost at distributing point: Coal, per ton, \$7 78.8; wood, per cord, \$3 38.2.

## CHARACTERISTICS OF ROAD.

Reno, Nevada, to Amedee, California: Length, 79 miles; number of curves, 284; aggregate length of curved line, 21.70 miles; length of straight line, 57.30 miles; length of level line, 18.86 miles; number of ascending grades, 11; sum of ascents, 1,176 feet; aggregate length of ascending grades, 11.84 miles; number of descending grades, 15; sum of descents, 1,672 feet; aggregate length of descending grades, 48.30 miles.

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Trestles:				
Cattle guards .....	41	271 feet.	6 feet.	10 feet.
Irrigating ditch .....	4	29 feet.	7 feet.	10 feet.
Single span W. P. ....	27	265 feet.	6 feet.	18 feet.
Second span T. ....	25	2,544 feet.	24 feet.	552 feet.

Gauge of track, 3 feet; length, 79 miles.

There are no truss bridges on the road, no tunnels, and no telegraph.

## CAR MILEAGE.

Only Nevada-California-Oregon Railway cars are used.

STATE OF NEVADA, }  
County of Washoe. } ss.

We, the undersigned, Erasmus Gest, Vice-President, and Frank R. Lewis, Secretary and Auditor, of the Nevada-California-Oregon Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

ERASMUS GEST,  
Vice-President.  
F. R. LEWIS,  
Secretary, Cashier, and Auditor.

Subscribed and sworn to before me, this 26th day of August, 1896.

HENRY B. RULE,  
Notary Public in and for Washoe County, Nevada.

## EEL RIVER &amp; EUREKA RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Eel River & Eureka Railroad Company.
2. Date of organization: November 14, 1882.
3. Under what laws organized: Laws of the State of California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
John M. Vance .....	Eureka, Cal.
William Carson .....	Eureka, Cal.
E. P. Vance .....	Salmon Creek, Cal.
John Dolbeer .....	San Francisco, Cal.
J. N. Gillett .....	Eureka, Cal.
C. L. Rose .....	South Bay, Cal.
H. H. Buhne, Jr. ....	Eureka, Cal.

Date of expiration of terms of Directors: January 12, 1895.  
Total number of stockholders at date of last election: 7.  
Date of last meeting of stockholders for election of Directors: January 14, 1896.  
Post Office address of general and operating office: Eureka, Cal.  
Name and address of the officer to whom correspondence regarding this report should be addressed: T. R. Lever, Secretary, Eureka, Cal.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board and President.	John M. Vance.....	Eureka, Cal.
Vice-President .....	William Carson.....	Eureka, Cal.
Secretary .....	T. R. Lever.....	Eureka, Cal.
Treasurer.....	Humboldt County Bank.....	Eureka, Cal.
Auditors .....	J. N. Gillett, H. H. Buhne, and E. P. Vance.....	Eureka, Cal.
General Manager.....	John M. Vance.....	Eureka, Cal.
General Superintendent.....	C. L. Rose.....	South Bay.
General Ticket Agent.....	T. R. Lever.....	Eureka, Cal.
General Baggage Agent.....	A. G. Painter.....	Eureka, Cal.

## PROPERTY OPERATED.

The Eel River & Eureka Railroad is operated by main line from Eureka to Burnella, a distance of 25 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$1,200,000, divided into 12,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$480,000. No dividends were declared.

Manner of payment for capital stock: Issued for cash, 4,800 shares; amount realized, \$480,000.

## FUNDED DEBT.

On October 1, 1883, and on October 1, 1894, first mortgage bonds to the amount of \$800,000 were authorized to be issued. The amount issued is \$488,000; cash realized, \$487,700; amount outstanding, \$478,000. These bonds bear 6 per cent and 5 per cent interest, payable April 1st and October 1st. There accrued during the year interest to the amount of \$25,910, which amount was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$488,000 00	\$478,000 00

Interest accrued during year, \$25,910; interest paid during year, \$25,910.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$17,058 35	Audited vouchers and accounts, and wages and salaries .....	\$4,942 36
Due from agents.....	4,224 22	Matured interest coupons unpaid .....	6,352 50
		Total current liabilities.....	\$11,294 86
		Balance—cash assets .....	9,987 71
Total .....	\$21,282 57	Total .....	\$21,282 57

Materials and supplies on hand, \$3,874 12.

## RECAPITULATION.

*A. For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock.....	\$480,000 00	\$480,000 00	25	\$19,200 00
Bonds.....	478,000 00	478,000 00		19,120 00
Current liabilities.....	11,294 86	11,294 86		451 80
Totals.....	\$969,294 86	\$969,294 86	25	\$38,771 80

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.	Miles.	Amount per Mile of Line.
Eel River & Eureka R. R. ....	\$480,000 00	\$478,000 00	\$11,294 86	\$969,294 86	25	\$38,771 80

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Charged to Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Construction:			
Right of way.....		\$26,150 00	\$26,150 00
Other real estate.....		16,217 94	16,217 94
Fences.....		5,313 80	5,313 80
Grading, and bridge and culvert masonry.....		334,137 46	334,137 46
Bridges and trestles.....		11,137 97	11,137 97
Rails.....		164,013 01	164,013 01
Ties.....		7,906 10	7,906 10
Other superstructure.....	\$233 90	3,067 63	3,301 53
Buildings, furniture, and fixtures.....	2,107 73	36,808 64	38,916 37
Shop machinery and tools.....		2,150 57	2,150 57
Telegraph line.....		1,345 49	1,345 49
Wharfing, etc.....		16,858 72	16,858 72
Sidings and yard extensions.....	5,678 60	525 81	6,204 41
Terminal facilities and elevators.....	736 13		736 13
Other items.....		943 92	943 92
Total construction.....	\$3,756 36	\$626,577 81	\$635,334 17
Equipment:			
Locomotives.....		\$27,567 35	\$27,567 35
Passenger cars.....		23,652 26	23,652 26
Baggage, express, and postal cars.....		221 99	221 99
Freight cars.....		8,515 04	8,515 04
Other cars of all classes.....		23,548 49	23,548 49
Floating equipment.....		5,966 90	5,966 90
Total equipment.....		\$89,472 03	\$89,472 03
Total cost construction, equipment, etc.....			\$724,806 20

Cost per mile: Construction, \$25,413 36; equipment, \$3,578 89; total, \$28,992 25.

## INCOME ACCOUNT.

Gross earnings from operation .....	\$92,317 55	
Less operating expenses .....	42,027 47	
Income from operation .....		\$50,290 08
Deductions from income:		
Interest on funded debt accrued .....	\$25,910 00	
Taxes .....	4,882 70	
Total deductions from income .....		30,292 70
Net income .....		\$19,997 38
Deficit on June 30, 1895 .....		\$239,329 35
Additions for year .....		19,997 38
Deficit on June 30, 1896 .....		\$219,331 97

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue .....	\$25,131 05		
Less repayments .....		\$382 35	
Total passenger revenue .....			\$24,748 70
Mail .....			2,422 24
Express .....			660 00
Extra baggage and storage .....			637 11
Total passenger earnings .....			28,468 05
Freight revenue .....	62,759 66		
Less repayments .....		\$6,689 22	
Total freight earnings .....			56,070 44
Other earnings from operation:			
Wharfage .....	3,497 23		
Telegraph companies .....	61 81		
Rents not otherwise provided for .....	1,533 20		
Other sources .....	765 06		
Ferriage .....	1,923 76		
Total other earnings .....			7,779 06
Total gross earnings from operation .....			\$92,317 55

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway.....	\$6,096 40
Repairs and renewals of bridges and culverts.....	1 93
Repairs and renewals of fences, road crossings, signs, and cattle guards.....	337 53
Repairs and renewals of buildings and fixtures.....	272 23
Repairs and renewals of docks and wharves.....	168 14
Other expenses.....	576 40
Total.....	\$7,452 63
Maintenance of equipment:	
Repairs and renewals of locomotives.....	\$446 39
Repairs and renewals of passenger cars.....	179 33
Repairs and renewals of freight cars.....	104 96
Repairs and renewals of shop machinery and tools.....	259 38
Other expenses.....	360 64
Total.....	\$1,350 69
Conducting transportation:	
Fuel for locomotives.....	\$1,245 25
Water supply for locomotives.....	100 00
Oil, tallow, and waste for locomotives.....	181 97
Train service.....	8,545 29
Train supplies and expenses.....	692 15
Switchmen, flagmen, and watchmen.....	558 55
Telegraph expenses.....	693 03
Station service.....	8,535 21
Station supplies.....	570 16
Loss and damage.....	51 50
Operating marine equipment.....	1,530 42
Rents of buildings and other property.....	163 18
Stationery and printing.....	442 81
Other expenses.....	2,857 49
Total.....	\$26,167 01
General expenses:	
Salaries of general officers.....	\$4,500 00
Law expenses.....	1,902 20
Other expenses.....	649 94
Total.....	\$7,057 14
Recapitulation of expenses:	
Maintenance of way and structures.....	\$7,452 63
Maintenance of equipment.....	1,350 69
Conducting transportation.....	26,167 01
General expenses.....	7,057 14
Grand total.....	\$42,027 47
Percentage of operating expenses to earnings.....	45.52

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.
\$626,577 81	Cost of road.....	\$635,334 17	\$8,756 36
89,472 03	Cost of equipment.....	89,472 03	
	Cash and current assets.....	21,282 57	
	Materials and supplies.....	3,874 12	
	Profit and loss.....	219,331 97	
	Total.....	\$969,294 86	
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Decrease.
\$480,000 00	Capital stock.....	\$480,000 00	
488,000 00	Funded debt.....	478,000 00	\$10,000 00
	Current liabilities.....	11,294 86	
	Total.....	\$969,294 86	

## CONTRACTS, AGREEMENTS, ETC.

Agreement with Wells, Fargo & Co. to transport express and treasure boxes from Eureka to Burnells.

Agreement with U. S. Post Office Department to carry mails from Eureka to Burnells.

Contract with Pacific Lumber Co. to transport lumber from Alton Junction to South Bay Station, at \$1 per 1,000 feet, board measure.

Contract with Eel River Valley Lumber Co. to transport lumber from Fortuna Junction to South Bay Station, at \$1 37½ per 1,000 feet, board measure, including wharfage.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Mortgage per Mile of Line.
First mortgage .....	Eureka to Burnells .....	25	\$19,120 00

All equipment is mortgaged.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General officers .....	3	1,095	\$4,500 00	\$4 11
General office clerks .....	1	365	720 00	1 97
Station agents .....	10	3,650	7,300 00	2 00
Other station men .....	1	312	624 00	2 00
Enginemen .....	2	730	2,190 00	3 00
Firemen .....	2	730	1,314 00	1 80
Conductors .....	2	730	2,044 00	2 80
Other trainmen .....	6	1,584	3,564 00	2 25
Carpenters .....	1	290	725 00	2 50
Section foremen .....	2	600	1,350 00	2 25
Other trackmen .....	11	2,640	5,680 00	2 00
Switchmen, flagmen, and watchmen .....	3	1,095	2,190 00	2 00
Employés—account floating equipment .....	2	545	1,226 25	2 25
All other employés and laborers .....	4	302	603 82	2 00
Total (including general officers) .....	50	14,668	\$34,031 07	-----
Less general officers .....	3	1,095	4,500 00	-----
Total (excluding general officers) .....	47	13,573	\$29,531 07	-----
Distribution of above:				
General administration .....	3	1,095	4,500 00	4 11
Maintenance of way and structures .....	12	3,530	7,435 00	2 16
Maintenance of equipment .....	2	445	1,101 00	2 47
Conducting transportation .....	33	9,598	20,995 07	2 18
Total (including general officers) .....	50	14,668	\$34,031 07	2 32
Less general officers .....	3	1,095	4,500 00	-----
Total (excluding general officers) .....	47	13,573	\$29,531 07	-----

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue	32,811	
Number of passengers carried one mile	590,598	
Number of passengers carried one mile per mile of road	820,275	
Average distance carried—miles	18	
Total passenger revenue		\$24,748 70
Average amount received from each passenger		75.4
Average receipts per passenger per mile		04.19
Total passenger earnings		28,468 05
Passenger earnings per mile of road		1,138 72
Passenger earnings per train mile		52.1
Freight traffic:		
Number of tons carried of freight earning revenue	71,843	
Number of tons carried one mile—miles	1,293,117	
Number of tons carried one mile per mile of road	2,873,720	
Average distance haul of one ton	18	
Total freight revenue		56,070 44
Average amount received for each ton of freight		78.04
Average receipts per ton per mile		04.33
Total freight earnings		56,070 44
Freight earnings per mile of road		2,242 80
Freight earnings per train mile		1 02.5
Passenger and freight:		
Passenger and freight revenue		80,819 14
Passenger and freight revenue per mile of road		3,232 76
Passenger and freight earnings		84,538 49
Passenger and freight earnings per mile of road		3,381 54
Gross earnings from operation		92,312 55
Gross earnings from operation per mile of road		3,692 70
Gross earnings from operation per train mile		1 90.7
Operating expenses		42,027 47
Operating expenses per mile of road		1,681 10
Operating expenses per train mile		76.9
Income from operation		19,997 38
Income from operation per mile of road		799 89
Train mileage:		
Miles run by mixed trains	54,600	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road—Tons.
Products of agriculture:	
Grain	780
Hay	896
Fruit and vegetables	1,350
Products of animals:	
Live stock	33
Poultry, game, and fish	926
Wool	207
Butter	2,988
Products of mines:	
Stone, sand, and other like articles	132
Products of forest:	
Lumber (board measure)	17,363,150 feet.
Shingles	113,319,350 M.
Shakes	6,019,693 M.
Wood	210
Manufactures:	
Castings and machinery	1,769
Merchandise	5,143
Miscellaneous: Other commodities not mentioned above	2,978
Total	71,843



## DESCRIPTION OF EQUIPMENT.

Item.	Total at End of Year.
Locomotives:	
Passenger .....	1
Freight .....	1
Switching .....	1
Total .....	3
Cars in passenger service:	
First-class cars .....	3
Second-class cars .....	4
Combination cars .....	2
Total .....	9
Cars in freight service:	
Box cars .....	10
Flat cars .....	28
Total .....	38
Cars in company's service:	
Lumber cars .....	100
Total cars in service .....	147
Less cars belonging to lumber companies .....	100
Total cars owned .....	47

All rolling stock equipped with ordinary hand brake and link coupler.

## MILEAGE OF ROAD OPERATED.

Length of single track, 25 miles; length of yard track, sidings, and spurs, 5 miles; aggregate length of all tracks, 30 miles.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

In running 54,600 miles, locomotives of mixed trains consumed 1,440 cords of wood, or 720 tons of fuel. Average pounds consumed per mile, 26.37; average cost at distributing point, \$3 25 per cord.

## CHARACTERISTICS OF ROAD.

From Eureka to Burnells, 25 miles; number of curves, 52; aggregate length of curved line, 5,405 miles; length of straight line, 19,594 miles; length of level line, 8,742 miles; number of ascending grades, 12; sum of ascents, 208 feet; aggregate length of ascending grades, 11,930 miles; number of descending grades, 24; sum of descents, 90 feet; aggregate length of descending grades, 4,327 miles.

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.
Bridges:		
Wooden .....	1	60 feet.
Combination .....	1	60 feet.
Total .....	2	
Trestles .....	3	1,873 feet.
Tunnels .....	1	1,945 feet.

Overhead railway crossings: Trestles, 2; height above surface of rail, 22 feet.

Gauge of track: 4 feet 8½ inches.

Telegraph owned and operated by company making this report: 25 miles of line; 25 miles of wire.

STATE OF CALIFORNIA, }  
County of Humboldt. } ss.

We, the undersigned, John M. Vance, President, and T. R. Lever, Secretary, of the Eel River & Eureka Railroad Company, on our oath, do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JOHN M. VANCE,  
President.  
T. R. LEVER,  
Secretary.

Subscribed and sworn to before me, this 25th day of July, 1896.

G. R. GEORGESON,  
Notary Public.

## NEVADA COUNTY NARROW GAUGE RAILROAD COMPANY.

### HISTORY.

1. Name of common carrier making this report: Nevada County Narrow Gauge Railroad Company.
2. Date of organization: April 4, 1874.
3. Under laws of what Government, State, or Territory organized: State of California.
4. Names of constituent companies: Not a consolidated company.

### ORGANIZATION.

Names of Directors.	Post Office Address.
John F. Kidder.....	Grass Valley.
Peter Johnston.....	Grass Valley.
Edward H. Brown.....	Grass Valley.
George Fletcher.....	Grass Valley.
George D. McLean.....	Grass Valley.
Frank G. Beatty.....	Berkeley.
A. H. Parker.....	Nevada City.

Date of expiration of terms of Directors: April 6, 1897.  
Number of stockholders at date of last election: 96.  
Last meeting of stockholders for election of Directors: April 1, 1896.  
Post Office address of general and operating offices: Grass Valley, Cal.  
Name and address of officer to whom correspondence regarding this report should be addressed: George Fletcher, Secretary, Grass Valley, Cal.

### OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President.	John F. Kidder.....	Grass Valley.
Vice-President.....	Peter Johnston.....	Grass Valley.
Secretary.....	George Fletcher.....	Grass Valley.
Treasurer.....	Edward H. Brown.....	Grass Valley.
Auditor.....	George Fletcher.....	Grass Valley.
General Manager.....	John F. Kidder.....	Grass Valley.
General Superintendent.....	Edward H. Brown.....	Grass Valley.
General Freight, Passenger, Ticket, and Baggage Agent.....	George Fletcher.....	Grass Valley.

## PROPERTY OPERATED.

The Nevada County Narrow Gauge Railroad is operated by main line from Colfax, a station on the Central Pacific Railroad, in Placer County, to Nevada City, in Nevada County, a distance of 22.50 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$400,000, divided into 4,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$250,200. No dividends were declared.

Manner of payment for capital stock: Number of shares issued in 1896, 80; cash realized thereon, \$8,000. Total number of shares issued and outstanding, 2,502; total cash realized, \$250,850. The original issue was 2,440 shares, at full par value; \$650 was all that was received on 18 shares; at delinquent sale the stock was bought in by company, the \$650 being put to profit and loss account.

## FUNDED DEBT.

Class of Bond or Obligation.	Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
First mortgage bonds(new issue) on the whole property of the company, Jan. 7, 1896 .....	\$250,000 00	\$250,000 00	\$250,000 00	\$239,130 00

Dates when bonds are due: January 7, 1900, 4 bonds; 1901, 4 bonds; 1902, 4 bonds; 1903, 4 bonds; 1904, 4 bonds; 1905, 5 bonds; 1906, 6 bonds; 1907, 6 bonds; 1908, 7 bonds; 1909, 8 bonds; 1910, 9 bonds; 1911, 9 bonds; 1912, 9 bonds; 1913, 9 bonds; 1914, 10 bonds; 1915, 11 bonds; 1916, 12 bonds; 1917, 13 bonds; 1918, 13 bonds; 1919, 14 bonds; 1920, 16 bonds; 1921, 16 bonds; 1922, 18 bonds; 1923, 19 bonds; 1924, 20 bonds. Total issue, 250 bonds.

These bonds bear 7 per cent interest, payable in January (7th) and July. Interest accrued during year, \$20,295 23, all of which was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Accrued During Year.	Interest Paid During Year.
Mortgage bonds.....	\$250,000 00	\$250,000 00	\$20,295 23	\$20,295 23

## CURRENT ASSETS AND LIABILITIES.

Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Bills receivable .....	\$6,800 00	Loans and bills payable .....	\$5,804 52
Due from agents .....	3,762 57	Audited vouchers and accounts .....	1,511 82
Due from solvent companies and individuals .....	775 76	Wages and salaries .....	3,797 83
Total current assets .....	\$11,338 33	Matured interest coupons unpaid .....	8,750 00
Balance—current liabilities .....	8,525 84		
Total .....	\$19,864 17	Total .....	\$19,864 17

Materials and supplies on hand, \$8,966 65.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$250,200 00	\$250,200 00	} 22.50 {	\$11,120 00
Bonds .....	250,000 00	250,000 00		11,111 11
Current liabilities .....	19,864 17	19,864 17		882 85
Totals .....	\$520,064 17	\$520,064 17	22.50	\$23,113 96

# REPORT OF NEVADA COUNTY NARROW GAUGE RAILROAD CO. 231

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.	Miles.	Amount per Mile of Line.
Nevada County N. G. Railroad.....	\$250,200 00	\$250,000 00	\$19,864 17	\$520,064 17	22.50	\$23,113 96

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Charged to Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost per Mile.
Construction:				
Right of way and other real estate.....	\$75 00	\$30,334 67	\$30,409 67	\$1,351 53
Grading, and bridge <sup>a</sup> and culvert masonry.....		245,024 88	245,024 88	10,889 99
Bridges and trestles.....		48,235 37	48,235 37	2,143 79
Rails and ties.....		164,285 09	164,285 09	7,301 56
Buildings, furniture, fixtures, shop machinery, and tools.....		38,434 91	38,434 91	1,708 21
Engineering expenses.....	799 50	12,901 32	13,900 82	608 93
Other items.....		13,885 05	13,885 05	617 11
Total construction.....	\$874 50	\$553,101 29	\$553,975 79	\$24,621 12
Equipment:				
Locomotives.....		\$27,904 28	\$27,904 28	\$1,240 19
Passenger cars.....		9,404 42	9,404 42	417 97
Combination cars.....		6,216 76	6,216 76	276 30
Freight cars.....		31,334 22	31,334 22	1,392 63
Other cars of all classes.....		1,445 54	1,445 54	64 25
Total equipment.....		\$76,305 22	\$76,305 22	\$3,391 34
Total cost construction, equipment, etc.....	\$874 50	\$629,406 51	\$630,281 01	\$28,012 46

## INCOME ACCOUNT.

Gross earnings from operation.....	\$105,840 12	
Less operating expenses.....	73,466 64	
Total income.....		\$32,373 48
Deductions from income:		
Interest on funded debt accrued.....	\$20,295 23	
Interest on interest-bearing current liabilities accrued, not otherwise provided for.....	386 65	
Taxes.....	3,187 78	
Other deductions.....	10,870 00	
Total deductions from income.....		34,739 66
Deficit.....		\$2,366 18
Deficit from operations of year ending June 30, 1896.....		\$2,366 18
Surplus on June 30, 1895.....		132,888 00
Surplus on June 30, 1896.....		\$130,521 82

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger revenue .....	\$32,972 06
Mail .....	1,863 56
Express .....	3,032 69
Extra baggage and storage .....	1,005 28
Total passenger earnings .....	\$38,873 59
Freight revenue .....	\$62,514 90
Other items .....	4,451 63
Total freight earnings .....	\$66,966 53
Total gross earnings from operation .....	\$105,840 12

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway, rails, and ties .....	\$13,571 47
Repairs and renewals of bridges and culverts .....	1,575 03
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	183 67
Repairs and renewals of buildings and fixtures .....	518 82
Repairs of tunnels .....	2,220 59
Total .....	\$23,069 58
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$4,226 58
Repairs and renewals of passenger cars .....	2,196 16
Repairs and renewals of freight cars .....	2,567 13
Repairs and renewals of work cars .....	38 40
Repairs and renewals of shop machinery and tools .....	86 13
Total .....	\$9,114 40
Conducting transportation:	
Engine and roundhouse men .....	\$6,409 96
Fuel for locomotives .....	9,300 00
Water supply for locomotives .....	484 00
Oil, tallow, and waste for locomotives .....	248 00
Train service .....	4,994 31
Train supplies and expenses .....	300 49
Switchmen, flagmen, and watchmen .....	720 00
Station service .....	8,300 29
Station supplies .....	530 20
Loss and damage .....	69 42
Advertising .....	731 05
Stationery and printing .....	351 80
Total .....	\$32,439 52
General expenses:	
Salaries of general officers .....	\$6,000 00
Salaries of clerks and attendants .....	346 00
General office expenses and supplies .....	126 00
Insurance .....	597 65
Law expenses .....	523 60
Stationery and printing (general offices) .....	220 09
Other expenses .....	1,029 80
Total .....	\$8,843 14
Recapitulation of expenses:	
Maintenance of way and structures .....	\$23,069 58
Maintenance of equipment .....	9,114 40
Conducting transportation .....	32,439 52
General expenses .....	8,843 14
Grand total .....	\$73,466 64

# REPORT OF NEVADA COUNTY NARROW GAUGE RAILROAD CO. 233

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$553,101 29	Cost of road .....	\$553,975 79	\$874 50	
76,305 22	Cost of equipment .....	76,305 22		
3,966 81	Cash and current assets .....	11,338 33	7,381 52	
18,104 92	Materials and supplies .....	8,966 65		\$9,138 27
\$851,468 24	Totals .....	\$650,585 99	\$8,256 02	\$9,138 27
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$242,000 00	Capital stock .....	\$250,200 00	\$8,000 00	
256,000 00	Funded debt .....	250,000 00		\$6,000 00
20,380 24	Current liabilities .....	19,864 17		516 07
132,888 00	Profit and loss .....	130,521 82		
\$851,468 24	Totals .....	\$650,585 99	\$8,000 00	\$6,516 07

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount of Mortgage per Mile of Line.
First mortgage bonds .....	Colfax to Nevada City .....	22.50	\$11,111 11

The whole property of the road is mortgaged.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Number of Days Worked.	Total Yearly Com- pensation.	Average Daily Com- pensation.
General officers .....	4	1,043	\$6,000 00	\$5 75
General office clerks .....	1	313	290 00	92
Station agents .....	3	1,095	3,540 00	3 23
Other station men .....	7	1,856	3,525 40	1 90
Enginemen .....	2	730	2,920 00	4 00
Firemen .....	2	730	1,825 00	2 50
Conductors .....	2	730	2,640 00	3 62
Other trainmen .....	6	1,652	3,705 00	2 24
Machinists .....	1	302	1,132 50	3 75
Carpenters .....	1	260	1,040 00	4 00
Other shopmen .....	5	1,508	4,861 80	3 10
Section foremen .....	2	613	1,655 10	2 70
Other trackmen .....	23	6,492	11,411 40	1 77
Switchmen, flagmen, and watchmen .....	3	1,032	1,439 04	1 39
All other employés and laborers .....	1	340	340 00	1 00
Totals (including general officers) .....	63	18,756	\$46,325 24	\$2 47
Less general officers .....	4	1,043	6,000 00	
Totals (excluding general officers) .....	59	17,713	\$40,325 24	\$2 27
Distribution of above:				
General administration .....	5	1,356	\$6,290 00	\$4 64
Maintenance of way and structures .....	28	8,137	14,505 54	1 78
Maintenance of equipment .....	7	2,130	7,034 30	3 30
Conducting transportation .....	23	7,133	18,495 40	2 59
Totals (including general officers) .....	63	18,756	\$46,325 24	\$2 47
Less general officers .....	4	1,043	6,000 00	
Totals (excluding general officers) .....	59	17,713	\$40,325 24	\$2 27

Vice-President receives no compensation.

## IMPORTANT CHANGES DURING THE YEAR.

The old 8 per cent bonds, of which \$256,000 were due on January 1, 1896, were all paid, and a new issue of \$250,000, 7 per cent first mortgage bonds was made.

## CONTRACTS, AGREEMENTS, ETC.

Agreement with Wells, Fargo & Co.'s Express for transportation of general merchandise by passenger train at double first-class rates; fruit, fish, butter, vegetables, and ice at one and one half times first-class rates. Fare of messenger, \$75 per month.

United States mail contract, under laws for regulation of railway mail service, at \$80 37 per mile of road.

Agreement with Western Union Telegraph Company giving them right of way for poles and wire on road, with free transportation of material and employes to repair lines. The railroad company having use of line free between offices on road and for railroad business to all points.

Agreement with Southern Pacific Company to conduct station business at Colfax for the sum of \$200 per month.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue .....	49,450	
Number of passengers carried one mile .....	473,750	
Number of passengers carried one mile per mile of road .....	21,055	
Average distance carried—miles .....	9.58	
Total passenger revenue .....		\$32,972 06
Average amount received from each passenger .....		66.879
Average receipts per passenger per mile .....		6.960
Total passenger earnings .....		38,873 59
Passenger earnings per mile of road .....		1,727 71.511
Passenger earnings per train mile .....		1 69.814
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue ....	26,464	
Number of tons carried one mile .....	521,538	
Number of tons carried one mile per mile of road ....	23,157	
Average distance haul of one ton—miles .....	19.7	
Total freight revenue .....		62,514 90
Average amount received for each ton of freight .....		2 35.848
Average receipts per ton per mile .....		11.986
Total freight earnings .....		66,966 53
Freight earnings per mile of road .....		2,976 29.02
Freight earnings per train mile .....		1 32.684
<b>Passenger and freight:</b>		
Passenger and freight revenue .....		95,486 96
Passenger and freight revenue per mile of road .....		4,243 86.49
Passenger and freight earnings .....		105,840 12
Passenger and freight earnings per mile of road .....		4,704 00.53
Gross earnings from operation .....		105,840 12
Gross earnings from operation per mile of road .....		4,704 00.53
Gross earnings from operation per train mile .....		1 42.785
Operating expenses .....		73,466 64
Operating expenses per mile of road .....		3,265 18.04
Operating expenses per train mile .....		96.937
Income from operation .....		32,373 48
Income from operation per mile of road .....		1,438 82.13
<b>Train mileage:</b>		
Miles run by passenger trains .....	7,512	
Miles run by mixed trains .....	67,244	
Total mileage trains earning revenue .....	74,756	
Average number of freight cars in train .....	4	
Average number of loaded cars in train .....	2	
Average number of empty cars in train .....	2	
Average number of tons of freight in train .....	13	
Average number of tons of freight in each loaded car ..	6½	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road—Tons.	Received From Connecting Roads— Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain, flour, and other mill products .....		5,119	5,119	19.34
Hay .....	19	1,614	1,633	6.17
Fruit and vegetables .....	236	285	521	1.97
Products of animals:				
Live stock .....	14	85	99	.38
Hides and leather .....	162		162	.61
Products of mines:				
Bituminous coal and coke .....		360	360	1.36
Ores .....	2,840	27	2,867	10.83
Products of forest:				
Lumber .....	483	3,557	4,040	15.27
Wood .....	1,030		1,030	3.90
Manufactures:				
Petroleum and other oils .....		760	760	2.87
Powder .....		308	308	1.16
Iron, pig and bloom .....		284	284	1.07
Castings and machinery .....	75	513	588	2.22
Merchandise .....	522	8,171	8,693	32.86
Total tonnage .....	5,381	21,083	26,464	100.00

## DESCRIPTION OF EQUIPMENT.

Item.	Total Owned.
Locomotives:	
Passenger .....	2
Freight .....	1
Total locomotives .....	3
Cars in passenger service:	
First-class passenger cars .....	2
Combination passenger cars .....	2
Other cars in passenger service .....	1
Total .....	5
Cars in freight service:	
Box cars .....	21
Flat cars .....	28
Total .....	49
Cars in company's service .....	4
Total cars owned .....	58

The Westinghouse air-brake is used on locomotives and on cars in passenger service.

## MILEAGE OF ROAD OPERATED.

Line in Use.	Total Mileage Operated.	Iron Rails.	Steel Rails.
Miles of single track .....	22.50	12.50	10
Miles of yard track and sidings .....	4.00	4.00	-----
Total mileage operated (all tracks) .....	26.50	16.50	10

This line is all in California, and all represented by capital stock.



## NEW TIES LAID DURING YEAR.

About 7,000 cedar ties were laid during the year; average price at distributing point, 36 cents.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

The locomotives, in running 74,756 miles, consumed 2,657 cords of soft wood. Total fuel consumed, 5,314 tons; pounds consumed per mile (average), 143.

## CHARACTERISTICS OF ROAD.

Colfax to Nevada City: Length, 22.50 miles; aggregate length of curved line, 12.26 miles; length of straight line, 10.24 miles; length of level line,  $\frac{1}{10}$  of a mile; number of ascending grades, 8; sum of ascents, 1,158 feet; aggregate length of ascending grades, 12.16 miles; number of descending grades, 7; sum of descents, 1,049 feet; aggregate length of descending grades, 9.66 miles.

## BRIDGES, TRETTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges—Combination.....	2	320 feet.	160 feet.	160 feet.
Trestles.....	5	5,176 feet.	.....	.....
Tunnels.....	2	810 feet.	390 feet.	420 feet.

Overhead highway crossings—Bridges, 1; height above surface of rail, 16 feet.

Overhead railway crossings—Bridges, 1; height above surface of rail, 120 feet.

Tunnels, 2; height above surface of rail, 14 feet.

Gauge of track, 3 feet; length, 22.50 miles.

## TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
17	17	Western Union Telegraph Co.....	..... Western Union Telegraph Co.

STATE OF CALIFORNIA, }  
County of Nevada. } ss.

We, the undersigned, John F. Kidder, President, and George Fletcher, Secretary, of the Nevada County Narrow Gauge Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JOHN F. KIDDER,  
President.  
GEORGE FLETCHER,  
Secretary

Subscribed and sworn to before me, this 10th day of October, 1896.

J. M. THOMAS,  
Notary Public in and for Nevada County, California.

## NATIONAL CITY &amp; OTAY RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: National City & Otay Railway Company.
2. Date of organization: December 28, 1886.
3. Under laws of what Government, State, or Territory organized: Laws of California.
4. Names of constituent companies: National City & Otay Railway Company, incorporated December 28, 1886; articles of incorporation filed January 13, 1887. Otay Railway Company, incorporated September 28, 1887; articles of incorporation filed October 10, 1887. Copy articles of association, incorporation, amalgamation, and consolidation filed with Secretary of State October 12, 1888. Certificate of issuance of capital stock filed with Secretary of State January 5, 1889.
5. Date and authority for each consolidation: October 1, 1888; State of California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
B. P. Cheney .....	Boston.
W. L. Frost .....	Boston.
C. O. Shattuck .....	Boston.
J. E. Boal .....	National City, Cal.
C. B. Whittehay .....	National City, Cal.
R. C. Allen .....	National City, Cal.
W. C. Kimball .....	National City, Cal.

Date of expiration of terms of Directors: Second Tuesday in May, 1897, or in lieu until successors are elected and qualified.

Number of stockholders at date of last election: 8.

Last meeting of stockholders for election of Directors: June 10, 1896.

Post Office address of general office: Boston.

Post Office address of operating office: National City.

Name and address of officer to whom correspondence regarding this report should be addressed: E. A. Hornbeck, Superintendent, National City, Cal.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	B. P. Cheney .....	Boston, Mass.
Vice-President .....	Jno. E. Boal .....	National City, Cal.
Secretary, Superintendent, and Asst. Treasurer ..	E. A. Hornbeck .....	National City, Cal.
Treasurer and Assistant Secretary .....	C. D. Lanning .....	Boston, Mass.
Attorney, or General Counsel .....	Works & Works .....	San Diego, Cal.

The duties of Auditor, General Freight Agent, and General Ticket Agent are performed by the Superintendent.

## PROPERTY OPERATED.

Name.	Terminals.	Miles of Line.
National City & Otay Railway .....	San Diego to Tia Juana .....	18.66
	Sweetwater Junction to La Presa .....	7.80
Total .....		26.46

## CAPITAL STOCK.

The total par value of authorized capital stock is \$1,300,000, divided into 13,000 shares of a par value of \$100 each. Total amount issued and outstanding, \$200,000. No dividends were declared.

## FUNDED DEBT.

Class of Bond or Obligation.	Date of Issue.	When Due.	Amount Issued.
First mortgage 6 per cent gold bonds.....	Dec. 1, 1888..	Dec. 1, 1933..	\$451,000 00

These bonds bear interest at 6 per cent, payable June 1st and December 1st, of each year.

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Total passenger revenue.....	\$14,538 15
Mail .....	1,208 05
Total passenger earnings .....	\$15,746 20
Total freight earnings.....	15,262 05
Total gross earnings from operation.....	\$31,008 25
Total passenger earnings.....	\$14,538 15
Total freight earnings.....	15,262 05
Total mail earnings.....	1,208 05
Less total expenses.....	\$31,008 25
Net earnings.....	28,761 64
	\$2,256 61

During year heavy washout repairs and improvements have been made and charged to operating expenses.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried one mile .....	97,099	
Total passenger revenue.....		\$15,746 20
Freight traffic: Total freight revenue.....		15,262 05
Train mileage:		
Miles run by passenger trains .....	27,088.32	
Miles run by freight trains.....	1,850.95	
Miles run by mixed trains.....	14,617.12	
Total mileage trains earning revenue.....	43,556.39	

## DESCRIPTION OF EQUIPMENT.

Item.	Total Number at End of Year.
Locomotives:	
Passenger .....	5
Freight .....	1
Total .....	6
Cars in passenger service:	
First-class cars .....	7
Combination cars .....	2
Baggage, express, and postal cars .....	1
Total .....	10
Cars in freight service:	
Box cars .....	4
Flat cars .....	31
Total .....	35
Total cars owned and in service .....	45

Locomotives are equipped with steam brake.

## MILEAGE OF ROAD OPERATED.

Line in Use.	Main Line.	Branches and Spurs.	Total Mileage Operated.	Steel Rails.
Miles of single track .....	18.66	7.80	26.46	26.46

All in California.

STATE OF CALIFORNIA, )  
County of San Diego. } ss.

We, the undersigned, John E. Boal, Vice-President, and E. A. Hornbeck, Secretary and Assistant Treasurer, of the National City & Otay Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JOHN E. BOAL,  
Vice-President.  
E. A. HORNBECK,  
Secretary and Assistant Treasurer.

Subscribed and sworn to before me, this 7th day of October, 1896.

GEORGE W. BEERMAKER,  
Notary Public in and for San Diego County, California.

## LOS ANGELES &amp; REDONDO RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: Los Angeles & Redondo Railway Company.
2. Date of organization: April 1, 1889.
3. Under laws of what Government, State, or Territory organized: California.
4. If a consolidated company, name the constituent companies: Not a consolidated company.
6. If a reorganized company, give name of original corporation, and refer to laws under which it was organized: Not a reorganized company.

## ORGANIZATION.

Names of Directors.	Post Office Address.
L. T. Garnsey .....	Los Angeles.
Percy T. Morgan .....	San Francisco.
J. C. Ainsworth .....	Portland, Oregon.
H. B. Ainsworth .....	Redondo Beach.
W. A. Botsford .....	Los Angeles.

Date of expiration of terms of Directors: February 17, 1897.

Total number of stockholders at date of last election: 7.

Last meeting of stockholders for election of Directors: February 29, 1896.

Post Office address of general and operating offices: Redondo.

Name and address of officer to whom correspondence regarding this report should be addressed: H. B. Ainsworth, Secretary, Redondo.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President.	L. T. Garnsey .....	Los Angeles.
Vice-President.	Percy T. Morgan .....	San Francisco.
Secretary and Treasurer.	H. B. Ainsworth .....	Redondo.
Attorney, or General Counsel.	Sheldon Borden .....	Los Angeles.
Auditor.	H. B. Ainsworth .....	Redondo.
General Superintendent.	L. J. Perry .....	Redondo.
General Freight Agent.	John T. Farmer .....	Los Angeles.

## PROPERTY OPERATED.

Name.	Terminals.	Miles of Line.
Los Angeles & Redondo Railway .....	Redondo Beach to Los Angeles...	17.70

This company also owns and operates two wharves in California, doing a wharfage business.

## CAPITAL STOCK.

The total amount of authorized capital stock is \$500,000, divided into 5,000 shares of a par value of \$100 each; total amount issued and outstanding, \$538,700 21. There are no shares outstanding.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$3,210 37	Loans and bills payable .....	\$55,000 00
Bills receivable .....	432 47	Audited vouchers and ac-	
Due from agents .....	2,258 27	counts .....	6,972 20
Due from solvent companies and individuals .....	33,245 95	Miscellaneous .....	8 00
Total cash and current assets	\$39,747 08		
Balance—current liabilities...	22,233 14		
Total .....	\$61,980 20	Total .....	\$61,980 20

Materials and supplies on hand, \$5,602 53.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Apportionment to Other Properties.	Miles.	Amount per Mile of Line.
Capital stock .....	\$538,700 21	\$418,700 21	\$120,000 00	21	\$19,938 00
Current liabilities .....	61,913 36	35,149 13	26,764 23	-----	1,674 00
Totals .....	\$600,613 57	\$453,849 34	\$146,764 23	21	\$21,612 00

Wharfing not included in cost per mile of line.

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Current Liabilities.	Total.	Miles.	Amount per Mile of Line.
Los Angeles & Redondo Ry....	\$538,700 21	\$61,913 36	\$600,613 57	21	\$21,612 00

## INCOME ACCOUNT.

Gross earnings from operation .....	\$64,334 05	
Less operating expenses .....	51,385 74	
Income from operation .....		\$12,948 31
Miscellaneous income—less expenses .....		223 12
Total income .....		\$13,171 43
Deductions from income:		
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	\$1,742 69	
Taxes .....	1,663 00	
Total deductions from income .....		3,405 69
Net income .....		\$9,765 74
Surplus from operations of year ending June 30, 1896 .....		9,765 74
Surplus on June 30, 1896 .....		9,765 74

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Charged to Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost Per Mile.
<b>Construction:</b>				
Right of way.....		\$24,742 52	\$24,742 52	\$14,227 00
Fences.....	\$65 49	790 44	855 93	
Grading, and bridge and culvert masonry.....	75 00	26,487 89	26,562 89	
Bridges and trestles.....		607 74	607 74	
Rails.....		100,727 44	100,727 44	
Ties.....		26,490 19	26,490 19	
Other superstructure.....	\$18 76	4,310 04	4,628 80	
Buildings, furniture, and fixtures.....	352 57	17,428 71	17,781 28	
Shop machinery and tools.....	23 00	4,194 54	4,217 54	
Telegraph line.....		3,371 18	3,371 18	
Wharfing, etc.....	27,878 18	118,886 05	146,764 23	
Sidings and yard extensions.....	\$18 35	6,271 96	6,590 31	
Terminal facilities and elevators.....		10,000 00	10,000 00	
Purchase of constructed road.....		25,000 00	25,000 00	
Other items.....	8 78	230 00	238 78	
<b>Total construction.....</b>	<b>\$29,040 13</b>	<b>\$369,538 70</b>	<b>\$398,578 83</b>	<b>\$14,227 00</b>
<b>Equipment:</b>				
Locomotives.....	\$689 58	\$45,983 59	\$46,673 17	\$6,278 00
Passenger cars.....		33,241 18	33,241 18	
Combination cars.....		7,497 62	7,497 62	
Freight cars.....	388 02	22,425 35	22,813 37	
Other cars of all classes.....		661 44	661 44	
Floating equipment.....		239 48	200 00	\$6,278 00
			39 48	
<b>Total equipment.....</b>	<b>\$1,077 60</b>	<b>\$110,048 66</b>	<b>\$111,126 26</b>	<b>\$6,278 00</b>
<b>Total cost construction, equipment, etc.....</b>	<b>\$30,177 73</b>	<b>\$479,587 36</b>	<b>\$509,705 09</b>	<b>\$20,505 00</b>

Wharfing not included in cost per mile of line.

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions.	Actual Earnings.
<b>Passenger revenue.....</b>	<b>\$15,766 61</b>		
Tickets redeemed.....		\$329 18	
Other repayments.....		630 61	
<b>Total deductions.....</b>		<b>\$959 79</b>	
<b>Total passenger revenue.....</b>			<b>\$14,806 82</b>
<b>Mail.....</b>			<b>390 72</b>
<b>Total passenger earnings.....</b>			<b>\$15,197 54</b>
<b>Freight revenue.....</b>	<b>36,131 71</b>		
Less overcharge to shippers.....		91 14	
Other repayments.....		5,154 54	
<b>Total deductions.....</b>		<b>\$5,245 68</b>	
<b>Total freight revenue.....</b>			<b>30,886 03</b>
<b>Total passenger and freight earnings.....</b>			<b>\$46,083 57</b>
<b>Other earnings from operation:</b>			
Switching charges—balance.....			\$1,772 85
Telegraph companies.....			91 56
Other sources.....			480 34
Wharfage.....			15,905 74
<b>Total other earnings.....</b>			<b>\$18,250 49</b>
<b>Total gross earnings from operation.....</b>			<b>\$64,334 06</b>

## / STOCKS OWNED.

This company owns 300 shares of the Los Angeles Consolidated Electric Railway Company, and bonds of the Redondo Hot Salt Water Bath Company of the value of \$1,800.

## MISCELLANEOUS INCOME.

Old iron, rope, ties, etc., \$223 12.

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$6,438 80
Repairs and renewals of buildings and fixtures .....	36 99
Repairs and renewals of docks and wharves .....	2,428 08
Stationery and printing .....	54 57
Other expenses .....	556 41
Total .....	\$9,514 85
Maintenance of equipment:	
Superintendence .....	\$696 00
Repairs and renewals of locomotives .....	4,082 48
Repairs and renewals of passenger cars .....	1,777 35
Repairs and renewals of freight cars .....	621 70
Repairs and renewals of work cars .....	8 28
Repairs and renewals of marine equipment .....	432 35
Repairs and renewals of shop machinery and tools .....	199 90
Stationery and printing .....	81 87
Other expenses .....	556 42
Total .....	\$8,506 33
Conducting transportation:	
Superintendence .....	\$2,000 00
Engine and roundhouse men .....	5,136 40
Fuel for locomotives .....	4,033 24
Water supply for locomotives .....	416 15
Oil, tallow, and waste for locomotives .....	150 67
Other supplies for locomotives .....	153 00
Train service .....	2,974 80
Train supplies and expenses .....	150 70
Switchmen, flagmen, and watchmen .....	1,026 55
Telegraph expenses .....	35 42
Station service .....	6,365 65
Loss and damage .....	10 99
Injuries to persons .....	50 00
Operating marine equipment .....	2,151 12
Advertising .....	669 90
Rents of buildings and other property .....	213 70
Stationery and printing .....	186 44
Other expenses .....	2,225 66
Total .....	\$27,900 39
General expenses:	
Salaries of general officers .....	\$2,453 00
Salaries of clerks and attendants .....	930 50
Insurance .....	285 67
Law expenses .....	409 29
Stationery and printing (general offices) .....	272 88
Other expenses .....	1,112 83
Total .....	\$5,464 17
Recapitulation of expenses:	
Maintenance of way and structures .....	\$9,514 85
Maintenance of equipment .....	8,506 33
Conducting transportation .....	27,900 39
General expenses .....	5,464 17
Grand total .....	\$51,385 74
Percentage of operating expenses to earnings .....	80.00



## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$369,538 70	Cost of road .....	\$398,578 83	\$29,040 13	
110,048 68	Cost of equipment .....	111,086 78	1,038 12	
2,100 00	Stocks owned .....	2,100 00		
52,593 04	Lands owned .....	52,578 04		\$15 00
21,117 54	Cash and current assets .....	39,747 06	18,629 52	
5,254 78	Materials and supplies .....	5,698 36		
4,262 89	Sundries .....	4,472 19	652 90	
\$564,915 59	Totals .....	\$614,261 26	\$49,380 67	\$15 00
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	
\$538,700 21	Capital stock .....	\$538,700 21		
26,215 38	Current liabilities .....	61,980 20		\$35,764 82
	Liabilities not yet due .....	3,815 11		
	Profit and loss .....	9,765 74		
\$564,915 59	Totals .....	\$614,261 26		\$35,764 82

## IMPORTANT CHANGES DURING THE YEAR.

A second wharf built.

## CONTRACTS, AGREEMENTS, ETC.

Contract with United States Post Office department to carry mail between Los Angeles and Redondo Beach.

Agreement with Southern Pacific Co., Southern California Railway Co., Los Angeles Terminal Railway Co., and Pacific Coast Steamship Co. for transportation of through freight from San Francisco to Los Angeles.

Contract with Pacific Postal Telegraph Cable Co., taking their business at Redondo Beach.

## EMPLOYEES AND SALARIES.

Class.	Number.	Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General officers .....	4	1,440	\$5,149 00	\$3 57
General office clerks .....	2	720	930 50	1 30
Station agents .....	2	720	1,800 00	2 50
Other station men .....	6	2,160	4,565 65	2 10
Enginemen .....	3	578	1,736 00	3 00
Firemen .....	3	578	1,157 00	2 00
Conductors .....	2	638	1,701 33	2 66.66
Other trainmen .....	2	637	1,273 47	2 00
Machinists .....	2	720	2,040 00	2 83.33
Carpenters .....	1	200	500 00	2 50
Other shopmen .....	4	1,330	2,745 00	2 06
Section foremen .....	2	673	1,664 00	2 47
Other trackmen .....	12	2,334	4,034 85	1 75
Switchmen, flagmen, and watchmen .....	2	513	1,026 55	2 00
All other employes and laborers .....	4	912	2,284 17	2 50
Total (including general officers) .....	51	14,153	\$32,657 52	\$2 31
Less general officers .....	4	1,440	5,149 00	
Total (excluding general officers) .....	47	12,713	\$27,508 52	\$2 16
Distribution of above:				
General administration .....	6	2,160	\$6,079 50	\$2 81
Maintenance of way and structures .....	14	3,007	5,748 85	1 91
Maintenance of equipment .....	11	3,162	7,569 17	2 40
Conducting transportation .....	20	5,824	13,260 00	2 28
Total (including general officers) .....	51	14,153	\$32,657 52	\$2 31
Less general officers .....	4	1,440	5,149 00	
Total (excluding general officers) .....	47	12,713	\$27,508 52	\$2 16

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue.....	77,382	
Number of passengers carried one mile.....	928,584	
Number of passengers carried one mile per mile of road.....	1,369,661	
Average distance carried—miles.....	12	
Total passenger revenue.....		\$14,806 82
Average amount received from each passenger.....		19.13470
Average receipts per passenger per mile.....		1.59456
Total passenger earnings.....		15,197 54
Passenger earnings per mile of road.....		723 69.24
Passenger earnings per train mile.....		37.22697
Freight traffic:		
Number of tons carried of freight earning revenue.....	22,492.54	
Number of tons carried one mile.....	39,321,945	
Average distance haul of one ton—miles.....	17.5	
Total freight revenue.....		30,886 03
Average amount received for each ton of freight.....		1 37.3
Average receipts per ton per mile.....		7.84
Total freight earnings.....		30,886 03
Freight earnings per mile of road.....		1,470 76.33
Freight earnings per train mile.....		1 44.08486
Passenger and freight:		
Passenger and freight revenue.....		45,692 85
Passenger and freight revenue per mile of road.....		2,175 85
Passenger and freight earnings.....		46,083 57
Passenger and freight earnings per mile of road.....		2,194 45.57
Gross earnings from operation.....		64,334 05
Gross earnings from operation per mile of road.....		3,063 52.62
Gross earnings from operation per train mile.....		1 03.33127
Operating expenses.....		51,385 74
Operating expenses per mile of road.....		2,446 94
Operating expenses per train mile.....		82.53412
Income from operation.....		9,765 74
Income from operation per mile of road.....		465 03.53
Train mileage:		
Miles run by passenger trains.....	40,824	
Miles run by freight trains.....	21,436	
Total mileage trains earning revenue.....	62,260	
Mileage of loaded freight cars—north and south.....	52,963	
Mileage of empty freight cars—north and south.....	38,737	
Average number of freight cars in train.....	6	
Average number of loaded cars in train.....	6	
Average number of tons of freight in train.....	60	
Average number of tons of freight in each loaded car.....	10	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road—Tons.	Received from Con- necting Roads—Tons	Total Freight Ton- nage.	Per Cent.
Lumber.....		12,979	12,979.00	57.7
Merchandise.....	2,883.54	6,630	9,513.54	42.3
Total tonnage.....	2,883.54	19,609	22,492.54	100.00

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives, used for all purposes .....	6
Cars in passenger service:	
First-class cars .....	16
Combination cars .....	5
Other cars .....	1
Total .....	22
Cars in freight service:	
Box cars .....	16
Flat cars .....	33
Other cars .....	6
Total .....	55
Total cars owned and in service .....	77

All rolling stock is equipped with the Westinghouse train brake, and the passenger cars with the Miller platform coupler.

## MILEAGE OF ROAD OPERATED. (All in California.)

Line in Use.	Main Line.	Total Mileage Operated.	Steel Rails.
Miles of single track .....	17.70	17.70	17.70
Miles of yard track and sidings .....	3.30	3.30	3.30
Total mileage operated (all tracks) .....	21.00	21.00	21.00

## NEW TIES LAID DURING YEAR.

There were 1,595 split redwood ties laid during the year; average price at distributing point, 28 cents.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Crude Petroleum— Bbls.	Total Fuel Consumed— Tons.	Miles Run.	Average Fuel Consumed per Mile.
Passenger and freight .....		3,237		56,310	2.41 gals.
Switching .....	80		80	5,950	27.00 lbs.

Average cost at distributing point, \$1.09 per bbl. of oil; \$8 per ton of coal. One bbl. oil contains 42 gals.

## ACCIDENTS TO EMPLOYÉS.

Kind of accident: Leg fractured while unloading lumber on dock.

## CHARACTERISTICS OF ROAD.

Redondo Beach to Los Angeles: Length, 17.70 miles; number of curves, 23; aggregate length of curved line, 2.10 miles; length of straight line, 15.60 miles; length of level line, 2.75 miles; number of ascending grades, 27; sum of ascending grades, 300 feet; aggregate length of ascending grades, 7.62 miles; number of descending grades, 23; sum of descending grades, 181 feet; aggregate length of descending grades, 7.25 miles. Gauge of track, 3 feet.

## TELEGRAPH.

This company owns and operates 18 miles of line and 18 miles of wire.

STATE OF CALIFORNIA, }  
County of Los Angeles. } ss.

We, the undersigned, L. T. Garnsey, President, and H. B. Ainsworth, Treasurer, of the Los Angeles & Redondo Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

L. T. GARNSEY,  
President.  
H. B. AINSWORTH,  
Treasurer.

Subscribed and sworn to before me, this 24th day of August, 1896.

V. WANKOWSKI,  
Notary Public in and for the County of Los Angeles, State of California.

## SAN DIEGO, CUYAMACA & EASTERN RAILWAY COMPANY.

### HISTORY.

1. Name of common carrier making this report; San Diego, Cuyamaca & Eastern Railway Company.
2. Date of organization: March 6, 1888.
3. Under what laws organized: Laws of the State of California.
4. If a consolidated company, name the constituent companies: Not a consolidated company.
6. If a reorganized company, give name of original corporation, and refer to laws under which it was organized: Not a reorganized company.

### ORGANIZATION.

Names of Directors.	Post Office Address.
Waldo S. Waterman .....	San Diego, Cal.
George J. Leovy .....	San Diego, Cal.
E. C. Hickman .....	San Diego, Cal.
Heber Ingle .....	San Diego, Cal.
J. E. Fishburn .....	San Diego, Cal.
Levi Chase .....	San Diego, Cal.
A. J. O'Connor .....	San Diego, Cal.

Date of expiration of terms of Directors: February 2, 1897.

Total number of stockholders at date of last election: 20.

Last meeting of stockholders for election of Directors: February 4, 1896.

Post Office address of general and operating offices: San Diego.

Name and address of officer to whom correspondence regarding this report should be addressed: Waldo S. Waterman, General Manager, San Diego.

### OFFICERS.

Title.	Name.	Location of Office.
President .....	George J. Leovy .....	San Diego.
Vice-President .....	Heber Ingle .....	San Diego.
Secretary and Treasurer .....	Waldo S. Waterman .....	San Diego.
Attorney, or General Counsel .....	George J. Leovy .....	San Diego.
Auditor .....	A. H. Kayser .....	San Diego.
General Manager .....	Waldo S. Waterman .....	San Diego.

The duties of General Freight Agent, General Passenger Agent, General Ticket Agent, and General Baggage Agent are performed by General Manager.

## PROPERTY OPERATED.

The San Diego, Cuyamaca & Eastern Railway is operated by main line from San Diego to Foster, a distance of 25.37 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$7,000,000, divided into 70,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$769,000. No dividends were declared.

Total number shares issued and outstanding, 7,690.

## FUNDED DEBT.

Class of Bond or Obligation, and Date of Issue and Maturity.	Authorized Issue.	Amount Issued and Outstanding.
First mortgage—July 1, 1888; July 1, 1918.....	\$550,000	\$550,000

Interest, 6 per cent; payable semi-annually, in January and July; amount accrued during year, \$33,000; amount paid during year, none.

## EQUIPMENT TRUST OBLIGATIONS.

## A. General Statement.

Series, or Other Designation.	Number of Payments.	Equipment Covered.	Remarks.
Series B 164 A; Dec. 15, 1893; 5 years .....	60	23 flat cars, 6 box cars, 1 coach (No. 2), and 1 locomotive (No. 1) .....	*New car trust lease.
New York Equipment Co.—Dec. 16, 1890; 5 years .....	60	1 combination car and 3 excursion coaches .....	Car trust lease (expired).
New York Equipment Co.—Dec. 27, 1893; 2 years .....	24	1 locomotive (No. 2) .....	Car trust lease (expired).

\* Includes balance of old lease, Series B, 164; i. e., 8 payments of \$278 03 each, which in old lease were due January 1 to August 1, 1894.

## B. Statement of Amount.

Series, or Other Designation.	Cash Paid on Delivery of Equipment.	Deferred Payments—Principal.	
		Original Amount.	Amount Outstanding.
Series B 164 A .....		\$13,632 00	\$6,816 00
New York Equipment Co. ....	\$70 00	11,930 00	
New York Equipment Co. ....		3,999 96	
Totals .....	\$70 00	\$29,561 96	\$6,816 00

## EQUIPMENT TRUST OBLIGATIONS—Continued.

Series, or Other Designation.	Deferred Payments—Interest.			
	Original Amount.	Amount Outstanding.	Amount Accrued During Year.	Amount Paid During Year.
Series B 164 A.....	Interest	included with	principal.	
New York Equipment Co. ....	\$1,921 43	-----	\$409 50	\$409 50
New York Equipment Co. ....	204 61	-----	89 81	89 81
Totals.....	\$2,126 04	-----	\$499 31	\$499 31

Rate of interest, 6 per cent.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds .....	\$550,000 00	\$550,000 00
Equipment trust obligations .....	29,561 96	6,816 00
Totals .....	\$579,561 96	\$556,816 00

Interest accrued during year on mortgage bonds, \$33,000; on equipment trust obligations, \$499 31. Interest paid during year on mortgage bonds, nothing; on equipment trust obligations, \$499 31.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$1,042 15	Loans and bills payable (exclusive of car trust obligations)...	\$600 00
Bills receivable .....	49 00	Audited vouchers and accounts...	686 11
Due from agents .....	451 14	Wages and salaries .....	1,665 05
Due from solvent companies and individuals .....	1,182 81	Matured interest coupons unpaid .....	264,000 00
Total cash and current assets ..	\$2,725 10		
Balance—current liabilities .....	264,226 06		
Total .....	\$266,951 16	Total .....	\$266,951 16

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$769,000 00	\$769,000 00	25.37	\$30,311 00
Bonds .....	550,000 00	550,000 00		21,679 00
Equipment trust obligations .....	6,816 00	6,816 00		269 00
Current liabilities .....	266,951 16	266,951 16		10,522 00
Totals .....	\$1,592,767 16	\$1,592,767 16	25.37	\$62,781 00

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.
San Diego, Cuyamaca & Eastern Railway.....	\$769,000 00	\$556,816 00	\$266,951 16	\$1,592,767 16

Amount per mile of line (27.37 miles), \$62,781.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS:

Item.	Charged to Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost Per Mile.
Construction:				
Right of way.....	\$52 14	\$73,461 12	\$73,513 26	\$2,897 64
Fences.....		400 94	400 94	15 80
Grading and clewing.....	327 50	55,983 36	56,310 86	2,219 58
Bridges and trestles.....		14,949 86	14,949 86	580 27
Rails.....		111,543 34	111,543 34	4,396 66
Ties.....		36,198 97	36,198 97	1,426 84
Other superstructure (miscellaneous track material).....		18,958 57	18,958 57	747 28
Buildings, furniture, and fixtures.....	208 74	8,742 15	8,950 89	352 82
Engineering expenses.....		14,303 88	14,303 88	563 81
Interest during construction.....		5,004 96	5,004 96	197 28
Discount on securities sold for construction.....		894,593 50	894,593 50	35,261 87
Telegraph line.....		908 46	908 46	35 81
Sidings and yard extensions.....		9,250 12	9,250 12	364 61
Other items.....	2,000 74	32,782 16	34,782 90	1,371 03
Total construction.....	\$2,589 12	\$1,277,081 39	\$1,279,670 51	\$50,440 30
Equipment:				
Locomotives.....		\$15,521 74	\$15,521 74	\$611 82
Passenger cars.....		12,950 95	12,950 95	510 48
Combination cars (passenger and baggage).....		3,602 90	3,602 90	142 01
Freight cars.....		15,273 23	15,273 23	602 02
Total equipment.....		\$47,348 82	\$47,348 82	\$1,866 33
Total cost construction, equipment, etc.....	\$2,589 12	\$1,324,430 21	\$1,327,019 33	\$52,306 63

## INCOME ACCOUNT.

Gross earnings from operation.....	\$38,955 50	
Less operating expenses.....	27,445 60	
Total income.....		\$11,509 90
Deductions from income:		
Interest on funded debt accrued.....	\$33,499 31	
Interest on real estate mortgages.....	66 00	
Taxes.....	2,228 62	
Other deductions (lost accounts and notes).....	605 43	
Total deductions from income.....		36,399 36
Deficit.....		\$24,889 46
Deficit from operations of year ending June 30, 1896.....		\$24,889 46
Deficit on June 30, 1895.....		237,933 27
Deficit on June 30, 1896.....		\$262,822 73

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger revenue .....	\$15,478 41
Mail .....	1,299 76
Total passenger earnings .....	\$16,778 17
Freight earnings .....	20,223 44
Total passenger and freight earnings .....	\$37,001 61
Other earnings from operation:	
Switching charges—balance .....	\$57 00
Other sources .....	1,874 89
Hire of equipment .....	22 00
Total other earnings .....	\$1,953 89
Total gross earnings from operation .....	\$38,955 50

## STOCKS OWNED.

This company owns stock in the San Diego and Back Country Telephone Company of a par and market value of \$200.

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$3,166 50
Renewals of ties .....	187 75
Repairs and renewals of bridges and culverts .....	439 75
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	6 06
Repairs and renewals of buildings and fixtures .....	525 94
Repairs and renewals of telegraph .....	24 25
Total .....	\$4,350 24
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$2,413 47
Repairs and renewals of passenger cars .....	383 03
Repairs and renewals of freight cars .....	539 65
Repairs and renewals of work cars .....	9 06
Total .....	\$3,345 21
Conducting transportation:	
Engine and roundhouse men .....	\$2,420 63
Fuel for locomotives .....	5,260 26
Water supply for locomotives .....	107 50
Oil, tallow, and waste for locomotives .....	227 33
Other supplies for locomotives .....	32 24
Train service .....	1,832 73
Train supplies and expenses .....	58 30
Telegraph expenses .....	176 14
Station service .....	3,488 64
Station supplies .....	181 82
Car mileage—balance .....	*679 50
Loss and damage .....	126 24
Injuries to persons .....	10 00
Advertising .....	591 47
Outside agencies .....	497 27
Rents for tracks, yards, and terminals .....	12 00
Stationery and printing .....	347 97
Total .....	\$14,688 59

\* Credit.



## OPERATING EXPENSES—Continued.

Item.	Amount.
General expenses:	
Salaries of general officers .....	\$3,900 00
General office expenses and supplies .....	150 75
Insurance .....	23 75
Law expenses .....	24 50
Stationery and printing (general offices) .....	81 68
Other expenses .....	880 90
Total .....	\$5,061 58
Recapitulation of expenses:	
Maintenance of way and structures .....	\$1,350 24
Maintenance of equipment .....	3,345 21
Conducting transportation .....	14,688 59
General expenses .....	5,061 58
Grand total .....	\$27,445 60
Percentage of operating expenses to earnings .....	70.50

## RENTS PAID FOR LEASE OF TRACK.

Designation of Property.	Name of Company Owning Property Leased.	Total.
Use of main track between Fifth and Eighth streets, San Diego, for certain special passenger trains .....	Southern California Railway Co...	\$12 00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$1,277,081 39	Cost of road .....	\$1,279,670 51	\$2,589 12	.....
47,348 82	Cost of equipment .....	47,348 82	.....	.....
	Stocks owned .....	200 00	200 00	.....
2,419 82	Cash and current assets .....	2,725 10	305 28	.....
237,933 27	Profit and loss .....	262,822 73	24,889 46	.....
\$1,564,783 30	Totals .....	\$1,592,767 16	\$27,983 86	.....
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$769,000 00	Capital stock .....	\$769,000 00	.....	.....
561,797 94	Funded debt .....	556,816 00	.....	\$4,981 94
233,985 36	Current liabilities .....	266,951 16	\$32,965 80	.....
\$1,564,783 30	Totals .....	\$1,592,767 16	\$27,983 86	.....

## CONTRACTS, AGREEMENTS, ETC.

2. Mail contract with United States Government: Rate of pay, \$49 59 per mile per annum for 26.21 miles, the distance between terminal post offices.
7. Contract with Western Union Telegraph Company for operating along the line of this railway.
8. No contract with telephone companies, except for the use of a few telephones.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount of Mortgage per Mile of Line.	What Equipment Mortgaged.
Mortgage bonds.....	San Diego to Lakeside.	22	\$25,000 00	
Equipment trust obligations— Series B 164 A.....				28 flat cars, 6 box cars, 1 coach, 1 lo- comotive.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General officers* .....	4	1,098	\$3,900 00	\$3 55
Other officer (roadmaster) .....	1	131	327 55	2 50
Station agents .....	6	1,619	2,548 20	1 57
Other station men .....	2	743	844 85	1 14
Enginemen .....	2	494	1,482 35	3 00
Firemen .....	2	390	702 80	1 80
Conductors .....	2	377	927 73	2 46
Other trainmen .....	3	699	1,158 50	1 66
Carpenters .....	2	99	285 25	2 68
Section foremen .....	3	688	1,217 05	1 77
Other trackmen .....	6	1,374	2,061 65	1 50
All other employés and laborers (in- cluding wipers) † .....	53	1,245	2,174 38	1 75
Total (including general officers) ..	86	8,957	\$17,610 31	\$1 97
Less general officers .....	4	1,098	3,900 00	3 55
Total (excluding general officers) ..	82	7,859	\$13,710 31	\$1 74
Distribution of above:				
General administration .....	4	1,098	\$3,900 00	\$3 55
Maintenance of way and struct- ures .....	12	2,292	3,871 50	1 69
Maintenance of equipment † .....	52	877	1,570 28	1 79
Conducting transportation .....	18	4,690	8,268 53	1 76
Total (including general officers) ..	86	8,957	\$17,610 31	\$1 97
Less general officers .....	4	1,098	3,900 00	3 55
Total (excluding general officers) ..	82	7,859	\$13,710 31	\$1 74

\*The Vice-President receives no compensation.

†These items are made up principally from the time and compensation of shopmen working a short time (from a few hours to 26 days) each, on repairs of one of our locomotives (in June, 1896).

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue.....	41,403	
Number of passengers carried one mile.....	684,843	
Number of passengers carried one mile per mile of road.....	26,964	
Average distance carried—miles.....	16.54	
Total passenger revenue.....		\$15,478 41
Average amount received from each passenger.....		37.335
Average receipts per passenger per mile.....		02.260
Total passenger earnings.....		16,778 17
Passenger earnings per mile of road.....		661 34
Passenger earnings per train mile (14,256 miles).....		1 17.692
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue.....	14,537	
Number of tons carried one mile.....	282,399	
Number of tons carried one mile per mile of road.....	11,131	
Average distance haul of one ton—miles.....	19.37	
Total freight revenue.....		20,223 44
Average amount received for each ton of freight.....		1 38.640
Average receipts per ton per mile.....		07.161
Total freight earnings.....		20,223 44
Freight earnings per mile of road.....		797 14
Freight earnings per train mile (24,021 miles).....		84.191
<b>Passenger and freight:</b>		
Passenger and freight revenue.....		35,701 85
Passenger and freight revenue per mile of road.....		1,407 24
Passenger and freight earnings.....		37,001 61
Passenger and freight earnings per mile of road.....		1,458 48
Gross earnings from operation.....		38,955 50
Gross earnings from operation per mile of road.....		1,535 49
Gross earnings from operation per train mile (38,277 miles).....		1 01.773
Operating expenses.....		27,445 60
Operating expenses per mile of road.....		1,081 81
Operating expenses per train mile (38,507 miles).....		71.274
Income from operation.....		11,509 90
Income from operation per mile of road.....		453 68
<b>Train mileage:</b>		
Miles run by passenger trains.....	6,249	
Miles run by mixed trains.....	32,028	
Total mileage trains earning revenue.....	38,277	
Miles run by construction and other trains.....	230	
Grand total train mileage.....	38,507	
Mileage of loaded freight cars.....	36,989	
Mileage of empty freight cars.....	6,520	
Average number of freight cars in train earning revenue.....	1.75	
Average number of loaded freight cars in train earning revenue.....	1.30	
Average number of empty freight cars in train earning revenue.....	.45	
Average number of tons of freight in train earning revenue.....	9.75	
Average number of tons of freight in each loaded car.....	7.48	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on This Road— Tons.	Received From Connecting Roads— Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain .....	286	-----	286	1.91
Flour .....	290	-----	290	1.99
Other mill products .....	561	-----	561	3.85
Hay .....	1,817	-----	1,817	12.46
Fruit and vegetables .....	2,554	5	2,559	17.55
Products of animals:				
Live stock .....	3	-----	3	0.02
Honey .....	124	-----	124	0.85
Products of mines:				
Bituminous coal .....	85	-----	85	0.58
Ores .....	4	-----	4	0.03
Stone, sand, and other like articles .....	2,084	-----	2,084	14.29
Products of forest:				
Lumber (including box shooks) .....	2,206	221	2,427	16.64
Wood (fuel) .....	1,160	-----	1,160	7.95
Manufactures:				
Petroleum and other oils .....	139	2	141	0.97
Cement, brick, and lime .....	142	-----	142	0.98
Wines, liquors, and beers .....	172	14	186	1.28
Household goods and furniture .....	123	13	136	0.98
Iron pipe .....	98	-----	98	0.68
Merchandise .....	1,475	167	1,642	11.28
Miscellaneous: Other commodities not mentioned above (fertilizers) .....	842	-----	842	5.78
Total tonnage .....	14,165	422	14,587	100.00

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives owned and leased:	
Passenger .....	2
Less locomotives leased .....	1
Total locomotives owned .....	1
Cars in passenger service:	
First-class cars .....	1
Second-class cars .....	3
Combination cars .....	1
Total .....	5
Cars in freight service:	
Box cars .....	8
Flat cars .....	23
Coal cars .....	3
Total .....	34
Total cars in service .....	39
Less cars leased .....	35
Total cars owned .....	4

All rolling stock is equipped with the Westinghouse air brake, and the passenger cars with Miller hook couplers.

In July, 1895, two of our flat cars were converted into box cars.

Three of our freight cars, previously reported as flat cars, are really coal cars, and are so reported herein.

## MILEAGE OF ROAD OPERATED. (All in California.)

Line in Use.	Total Mileage Operated.	Line Con- structed During Year.	Iron Rails.	Steel Rails.
Miles of single track .....	25.37	.....	.45	24.92
Miles of yard track and sidings .....	1.60	.03	.46	1.14
Total mileage operated (all tracks) .....	26.97	.03	.91	27.06

## NEW TIES LAID DURING YEAR.

Kind.	Number.	Average Price at Distribut- ing Point.
Redwood .....	498	\$0 37.7
Pine (switch ties) .....	15	0 94.1
Totals .....	513	\$0 39.3

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Crude Oil—Bbls.	Bitumin- ous Coal— Tons.	Soft Wood— Cords.	Total Coal and Wood Con- sumed— Tons.	Miles Run.	Average Consumed per Mile.	
						Gals.	Pounds.
All .....	1,431	557.30	21.50	562.05	42,133	4.23	40.26

Average cost at distributing point: Coal, \$6 95 per ton of 2,000 pounds, at San Diego, Cal.; soft wood, \$3 35 per cord of 128 cubic feet, at Lakeside, Cal.; crude oil, \$0 96.7 per barrel of 42 gallons, at San Diego, Cal.

## ACCIDENTS TO PERSONS.

One man caught between station platform and car.

## CHARACTERISTICS OF ROAD.

San Diego to Foster: Length, 25.37 miles; number of curves, 51; aggregate length of curved line, 6.46 miles; length of straight line, 18.91 miles; length of level line, 5.53 miles; number of ascending grades, 65; sum of ascents, 821.3 feet; aggregate length of ascending grades, 12.96 miles; number of descending grades, 42; sum of descents, 311.5 feet; aggregate length of descending grades, 6.88 miles; general direction of ascending grades, eastward; of descending grades, westward.

Bridges: Wooden, 39; aggregate length, 2,502 feet; minimum length, 7 feet; maximum length, 330 feet.

Overhead highway crossings: Number of bridges, 1; height of lowest above surface of rail, 19 feet 3 inches.

Gauge of track: 4 feet 8½ inches; length, 25.37 miles.

## TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
27.37	27.37	Western Union Telegraph Co.....	San Diego, Cuyamaca & Eastern Ry.

# REPORT OF SAN DIEGO, PACIFIC BEACH, AND LA JOLLA RY. CO. 257

STATE OF CALIFORNIA, }  
County of San Diego. } ss.

We, the undersigned, George J. Leovy, President, and Waldo S. Waterman, Secretary and Treasurer, of the San Diego, Cuyamaca & Eastern Railway Company, on our oath, do severally say that the foregoing return has been prepared under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

GEORGE J. LEOVY, President.  
WALDO S. WATERMAN, Secretary and Treasurer.

Subscribed and sworn to before me, this 5th day of September, 1896.

THEO. FINTZELBERG,  
Notary Public in and for the County of San Diego, State of California.

## SAN DIEGO, PACIFIC BEACH & LA JOLLA RAILWAY COMPANY.

### HISTORY.

1. Name of common carrier making this report: San Diego, Pacific Beach & La Jolla Railway Company.

2. Date of organization: Incorporated April, 1894.

3. Under laws of what Government, State, or Territory organized: California.

Under the name of the San Diego, Pacific Beach & La Jolla Railway Company, is included the tracks of the San Diego, Old Town & Pacific Beach Railway Company, and the San Diego, Pacific Beach & La Jolla Railway Company, which, while never consolidated, are to all intents and purposes our line; the San Diego, Pacific Beach & La Jolla Railway Company, being an extension of the other line. All stock in both belongs to the same persons, except that held by the Directors. The line is run as the San Diego, Pacific Beach & La Jolla Railway Company, and in this return the whole line is treated as one, as is done in the report made to the Interstate Commerce Commission.

### ORGANIZATION.

Names of Directors: Herbert Dabney, R. P. Dabney, G. B. Grow, C. D. Boyd, R. G. Nichols, all of San Diego.

Date of expiration of terms of Directors: June 30, 1897.

Number of stockholders at date of last election: All shares represented.

Last meeting of stockholders for election of Directors: June 3, 1896.

Post Office address of general and operating offices: San Diego, California.

Name and address of officer to whom correspondence regarding this report should be addressed: Herbet Dabney, General Manager, San Diego, California.

### OFFICERS.

Title.	Name.
President .....	R. P. Dabney.
Vice-President .....	G. B. Grow.
Secretary .....	Herbert Dabney.
Treasurer .....	Merchants' National Bank.
Attorney, or General Counsel .....	Gibson & Titus.
General Manager .....	Herbert Dabney.
Chief Engineer .....	L. J. Davids.
General Superintendent .....	C. D. Boyd.

## PROPERTY OPERATED.

Name.	Terminals.	Miles of Line.
San Diego, Pacific Beach & La Jolla Railway .....	San Diego to La Jolla...	13.54

## CAPITAL STOCK.

The total par value of authorized capital stock is \$275,000, divided into 2,750 shares of a par value of \$100 each. The whole amount is outstanding. No dividends were declared during the year.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$423 90	Loans and bills payable .....	\$11,950 00
Due from solvent companies and individuals.....	7,000 82	Audited vouchers and accounts .....	1,684 81
		Wages and salaries .....	530 65
Total cash and current assets .....	\$7,424 72		
Balance—current liabilities.....	6,720 74		
Total .....	\$14,145 46	Total .....	\$14,145 46

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Total Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$275,000 00	All.	13.54	\$20,310 00

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Current Liabilities.	Total.	Miles.	Amount per Mile of Line.
San Diego, Pacific Beach & La Jolla Railway .....	\$275,000 00	\$14,145 46	\$289,145 46	13.54	\$21,355 00

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost per Mile.
Construction .....	\$149,456 86	\$149,456 86	\$10,918 00
Right of way .....		162 80	
Buildings, furniture, and fixtures.....		158 55	
Telegraph and telephone lines .....		122 65	
Road built by contract .....		277 00	
Total construction .....		\$150,177 86	\$11,091 48
Equipment .....	\$38,183 20	\$38,183 20	\$2,820 00
Passenger cars .....		270 00	
Other cars of all classes .....		49 75	
Total equipment .....		\$38,502 95	\$2,843 64
Grand total cost construction and equipment, etc.....		\$188,680 81	\$13,935 12

REPORT OF SAN DIEGO, PACIFIC BEACH, AND LA JOLLA RY. CO. 259

INCOME ACCOUNT.

Gross earnings from operation.....	\$12,624 77	
Less operating expenses.....	16,542 77	
Deficit.....		\$3,724 00
Income from other sources.....		19 57
Deficit.....		\$3,704 43
Taxes.....		1,013 22
Other deductions.....		39 62
Deficit.....		\$4,757 27
Amount paid in by stockholders or passed to account.....		4,757 27
Deficit on June 30, 1895.....		163 49

EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions.	Actual Earnings.
Passenger revenue.....	\$9,760 46		
Tickets redeemed.....		\$44 50	
Total passenger revenue.....			\$9,715 96
Mail.....			409 32
Extra baggage and storage.....			2 90
Other items.....			5 00
Total passenger earnings.....			\$10,133 18
Freight revenue.....	\$2,683 19		
Less overcharge to shippers.....		\$181 44	
Other repayments.....		24 91	
Total deductions.....		\$206 35	
Total freight earnings.....			2,476 84
Total passenger and freight earnings.....			\$12,610 02
Other earnings from operation:			
Telegraph and telephone.....			\$6 00
Rents not otherwise provided for.....			8 75
Total other earnings.....			\$14 75
Total gross earnings from operation.....			\$12,624 77



## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$2,970 83
Repairs and renewals of buildings and fixtures .....	298 61
Total .....	\$3,269 54
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$1,475 85
Repairs and renewals of passenger cars .....	541 97
Repairs and renewals of freight cars .....	47 12
Total .....	\$2,064 94
Conducting transportation:	
Superintendence .....	\$1,147 10
Engine and roundhouse men .....	2,137 00
Fuel for locomotives .....	3,069 55
Water supply for locomotives .....	248 85
Oil, tallow, and waste for locomotives .....	166 23
Other supplies for locomotives .....	34 44
Train service .....	894 75
Train supplies and expenses .....	14 75
Telegraph expenses .....	86 91
Station supplies .....	6 05
Hire of equipment .....	29 50
Loss and damage .....	45 00
Advertising .....	671 38
Commissions .....	531 45
Stationery and printing .....	163 44
Total .....	\$9,346 40
General expenses:	
Salaries of general officers .....	\$950 00
Insurance .....	14 40
Law expenses .....	236 00
Other expenses .....	467 49
Total .....	\$1,667 89
Recapitulation of expenses:	
Maintenance of way and structures .....	\$3,269 54
Maintenance of equipment .....	2,064 94
Conducting transportation .....	9,346 40
General expenses .....	1,667 89
Grand total .....	\$16,348 77
Percentage of operating expenses to earnings .....	129.50

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$149,456 86	Cost of road .....	\$150,177 86	\$721 00	
38,183 20	Cost of equipment .....	38,502 95	319 75	
93,508 93	Due on capital stock .....	92,787 93		\$721 00
23,814 49	Cash and current assets .....	7,424 72		15,389 77
	Materials and supplies .....	252 00	252 00	
163 49	Profit and loss .....			
\$305,126 97	Totals .....	\$289,145 46	\$1,292 75	\$16,274 26
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Decrease.	
\$275,000 00	Capital stock .....	\$275,000 00		
30,126 97	Current liabilities .....	14,145 46		\$15,981 51
\$305,126 97	Totals .....	\$289,145 46		\$15,981 51

# REPORT OF SAN DIEGO, PACIFIC BEACH, AND LA JOLLA RY. CO. 261

## CONTRACTS, AGREEMENTS, ETC.

Contract with the U. S. Government to deliver mails twice daily to Old Town, Pacific Beach, and La Jolla, each way, \$400.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
General Manager .....	4	365	\$950 00	\$2 60
Superintendent .....	1	365	900 00	2 47
General office clerks .....	1	365	231 00	63
Enginemen .....	1	380.7	1,142 10	3 00
Firemen .....	1	380.7	761 40	2 00
Conductors .....	1	379.5	948 00	2 50
Brakemen .....	1	24.6	36 90	1 50
Carpenters .....	1	12	30 00	2 50
Other shopmen .....	1	541.4	1,342 30	2 48
Section foremen .....	1	311	744 00	2 39
Other trackmen .....	3	1,108.5	1,885 20	1 61
All other employés, and laborers hauling rock .....		14	42 00	3 00
Total (including general officers) .....		4,247.1	\$9,012 90	\$2 12
Less general officers .....		365	950 00	
Total (excluding general officers) .....		3,882.1	\$8,062 90	\$2 07
Distribution of above:				
General administration .....		1,095	\$2,081 00	\$1 90
Maintenance of way and structures .....		1,445.5	2,701 20	1 87
Maintenance of equipment .....		541.4	1,342 20	2 48
Conducting transportation .....		1,165.2	2,888 40	2 48
Total (including general officers) .....		4,247.1	\$9,012 90	
Less general officers .....		365	950 00	
Total (excluding general officers) .....		3,882.1	\$8,062 90	

General officers are: President, Vice-President, Secretary, and General Manager; latter only receives salary.

No station agents on line.

No regular machinist—machinist work included in "other shopmen."

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	57,999	
Number of passengers carried one mile .....	577,702	
Number of passengers carried one mile per mile of road .....	42,666	
Average distance carried—miles .....	9.96	
Total passenger revenue .....		\$9,715 96
Average amount received from each passenger .....		16.755
Average receipts per passenger per mile .....		1.682
Total passenger earnings .....		10,133 18
Passenger earnings per mile of road .....		748 38.995
Passenger earnings per train mile .....		31.064
Freight traffic:		
Number of tons carried of freight earning revenue .....	1,952	
Number of tons carried one mile .....	18,709	
Number of tons carried one mile per mile of road .....	1,381	
Average distance haul of one ton—miles .....	9.58	
Total freight revenue .....		2,476 84
Average amount received for each ton of freight .....		1 26.887
Average receipts per ton per mile .....		13.239
Total freight earnings .....		2,476 84
Freight earnings per mile of road .....		182 92
Freight earnings per train mile .....		7.593

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE—Continued.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger and freight:		
Passenger and freight revenue.....	-----	\$12,610 02
Passenger and freight revenue per mile of road.....	-----	931 31
Passenger and freight earnings.....	-----	12,610 02
Passenger and freight earnings per mile of road.....	-----	931 31
Gross earnings from operation.....	-----	12,624 77
Gross earnings from operation per mile of road.....	-----	932 41
Gross earnings from operation per train mile.....	-----	38.689
Operating expenses.....	-----	16,348 77
Operating expenses per mile of road.....	-----	1,207 44
Operating expenses per train mile.....	-----	60.118
Deficit from operation.....	-----	4,757 27
Deficit from operation per mile of road.....	-----	351 34
Train mileage: Miles run by mixed trains.....	32,620	

## FREIGHT TRAFFIC MOVEMENT.

Commodity.	Originating on this Road—Tons.	Received from Connecting Roads—Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain.....	204	-----	204	10.45
Flour.....	13	-----	13	.66
Other mill products.....	95	-----	95	.44
Hay.....	568	-----	568	29.09
Fruit and vegetables.....	72	-----	72	3.69
Products of animals:				
Live stock.....	8	-----	8	.41
Dressed meats.....	3	-----	3	.15
Poultry, game, and fish.....	1	-----	1	.05
Milk.....	274	-----	274	14.03
Products of mines:				
Anthracite coal.....	41	-----	41	2.10
Stone, sand, and other like articles.....	10	-----	10	.51
Products of forest: Lumber.....	386	-----	386	19.62
Manufactures:				
Petroleum and other oils.....	25	-----	25	1.21
Sugar.....	6	-----	6	.31
Naval stores.....	5	-----	5	.25
Castings and machinery.....	3	-----	3	.15
Cement, brick, and lime.....	7	-----	7	.36
Agricultural implements.....	2	-----	2	.10
Wagons, carriages, tools, etc.....	1	-----	1	.05
Wines, liquors, and beers.....	1	-----	1	.05
Household goods and furni- ture.....	69	39	108	5.53
Merchandise.....	71	-----	71	3.63
Miscellaneous: Other commodi- ties not mentioned above.....	48	-----	48	2.45
Total tonnage.....	1,913	39	1,952	-----

# REPORT OF SAN DIEGO, PACIFIC BEACH, AND LA JOLLA RY. CO. 263

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives (motor engines):	
Passenger .....	2
Cars in passenger service:	
Second-class cars .....	6
Combination cars .....	2
Total .....	8
Cars in freight service:	
Box cars .....	1
Flat cars .....	4
Total .....	5
Total cars owned and in service .....	13

Westinghouse train brakes are used on locomotives; ordinary hand brakes on cars. No patent couplers in service.

## MILEAGE OF ROAD OPERATED. (All in California.)

Line in Use.	Total Mileage Operated.	Steel Rails.
Miles of single track .....	13.54	13.54
Miles of yard track and sidings .....	.66	.66
Total mileage operated (all tracks) .....	14.20	14.20

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

In running 32,620 miles, locomotives consumed 443.8 tons of bituminous coal. Average pounds consumed per mile, 27.21.

## CHARACTERISTICS OF ROAD.

San Diego to La Jolla: Length of line, 13.54 miles; number of curves, 30; aggregate length of curved line, 3.69 miles; length of straight line, 9.85 miles; length of level line, 4.24 miles; number of ascending grades, 18; sum of ascending grades, 25.69 feet; aggregate length of ascending grades, 5.47 miles; number of descending grades, 13; sum of descending grades, 17.17 feet; aggregate length of descending grades, 3.82 miles.

There are 19 bridges on the line, aggregating 1,848 feet in length; minimum length, 8 feet; maximum length, 535 feet.

Gauge of track: 4 feet 8½ inches. Total length of all tracks, 14.20 miles.

There is no telegraph. Telephones are used between terminals.

STATE OF CALIFORNIA, }  
County of San Diego. } ss.

We, the undersigned, R. P. Dabney, President, and Herbert Dabney, General Manager and Secretary, of the San Diego, Pacific Beach & La Jolla Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

R. P. DABNEY,  
President.  
HERBERT DABNEY,  
General Manager and Secretary.

Subscribed and sworn to before me, this 15th day of August, 1896.

J. A. ALTAMIRANO, Jr.,  
Notary Public in and for San Diego County, California.

## LOS ANGELES TERMINAL RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: Los Angeles Terminal Railway Co.
2. Date of organization: January 2, 1891.
3. Under laws of what Government, State, or Territory organized: California.
4. This is a consolidated company, formed of the Los Angeles & Glendale Railway Co. (incorporated January 13, 1887), the Los Angeles, Pasadena & Glendale Railway Co. (incorporated March 30, 1889), and the Los Angeles Terminal Railway Co. (incorporated August 29, 1890).
5. Not a reorganized company.

## ORGANIZATION.

Names of Directors.	Post Office Address.
George B. Leighton .....	..... St. Louis.
T. B. Burnett .....	..... Los Angeles.
W. H. Workman .....	..... Los Angeles.
Charles Forman .....	..... Los Angeles.
T. E. Gibbon .....	..... Los Angeles.

Date of expiration of terms of Directors: Second Tuesday of February, 1897.

Number of stockholders at date of last election: 22.

Last meeting of stockholders for election of Directors: February 11, 1896.

Post Office address of general and operating offices: Los Angeles.

Name and address of officer to whom correspondence regarding this report should be addressed: F. K. Rule, Auditor, Los Angeles, California.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	George B. Leighton .....	..... St. Louis.
Vice-President .....	T. E. Gibbon .....	..... Los Angeles.
Secretary .....	F. K. Rule .....	..... Los Angeles.
Treasurer .....	F. K. Rule .....	..... Los Angeles.
Attorney, or General Counsel .....	T. E. Gibbon .....	..... Los Angeles.
Auditor .....	F. K. Rule .....	..... Los Angeles.
General Manager .....	S. B. Hynes .....	..... Los Angeles.
Assistant to the General Manager .....	W. J. Cox .....	..... Los Angeles.

## PROPERTY OPERATED.

Name.	Terminals.	Miles of Line.
Los Angeles Terminal Railway .....	East San Pedro to Altadena .....	43.1
	Glendale Junction to Verdugo Park .....	7.1
Total .....	.....	50.2

## CAPITAL STOCK.

The total par value of authorized capital stock is \$3,000,000, divided into shares of a par value of \$100 each. The total amount issued and outstanding is \$3,000,000. No dividends were declared during the year.

The manner of payment for capital stock is as follows:

	Number of Shares Issued and Outstanding.	Realized on Amount Issued.
Issued for cash .....	1,500	\$15,000 00
Issued for construction .....	28,500	-----
Totals .....	30,000	\$15,000 00

#### FUNDED DEBT.

On the 15th of July, 1891, first mortgage bonds were authorized to be issued for construction to the amount of \$1,500,000. The entire amount was issued and is now outstanding. The bonds mature in 1931, and bear 5 per cent interest, payable semi-annually, in January and July. The amount of interest accruing during the year was \$75,000, which was not paid.

#### RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Ac- rued During Year.	Interest Paid During Year.
Mortgage bonds .....	\$1,500,000 00	\$1,500,000 00	\$75,000 00	None.

#### CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$5,868 29	Loans and bills payable .....	\$5,000 00
Bills receivable .....	666 28	Audited vouchers and accounts .....	7,858 06
Due from agents .....	111 04	Wages and salaries .....	3,462 93
Due from solvent companies and individuals .....	14,293 43	Miscellaneous, due on construc- tion .....	58,195 75
Net traffic balances due from other companies .....	2,236 46		
Total cash and current assets ..	\$23,175 48		
Balance—current liabilities .....	51,341 26		
Total .....	\$74,516 74	Total .....	\$74,516 74

Materials and supplies on hand, \$11,335 65.

#### RECAPITULATION.

##### A. For Mileage Owned by Road Making this Report.

Account.	Amount Out- standing.	Apportion- ment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$3,000,000 00	\$3,000,000 00	50.2	\$59,760 95
Bonds .....	1,500,000 00	1,500,000 00		29,880 47
Current liabilities .....	74,516 74	74,516 74		1,484 39
Totals .....	\$4,574,516 74	\$4,574,516 74	50.2	\$91,125 81

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.
Los Angeles Terminal Railway.	\$3,000,000 00	\$1,500,000 00	\$74,516 74	\$4,574,516 74
Name of Road.			Miles.	Amount per Mile of Line.
Los Angeles Terminal Railway.....			50.2	\$91,125 81

**COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.**

Item.	Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost per Mile.
Construction:				
Right of way.....	\$4,133 22	\$3,009 90	\$7,143 12	\$91,040 05
Fences.....		147 70	147 70	
Bridges and trestles.....		503 33	503 33	
Other superstructure.....	813 81	7,475 12	8,288 93	
Buildings, furniture, and fixtures.....	252 22	2,209 48	2,461 70	
Interest during construction.....		1,802 01	1,802 01	
Telegraph line.....		150 00	150 00	
Sidings and yard extensions.....	64 10	3,943 78	4,007 88	
Road built by contract.....		4,350,000 00	4,350,000 00	
Purchase of constructed road.....	211 49	38,394 22	38,605 71	
Other items.....		157,100 24	157,100 24	
Totals.....	\$5,474 84	\$4,564,735 78	\$4,570,210 62	\$91,040 05

Cost of construction included in contract.

**INCOME ACCOUNT.**

Gross earnings from operation.....	\$106,105 28	
Less operating expenses.....	96,740 34	
Total income.....		\$9,364 94
Deductions from income:		
Taxes.....	\$9,138 00	
Other deductions.....	200 00	
Total deductions from income.....		9,338 00
Net income.....		\$26 94
Surplus from operations of year ending June 30, 1896.....		\$26 94
Surplus on June 30, 1895.....		30,178 07
Surplus on June 30, 1896.....		\$30,205 01

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Actual Earnings.
Passenger revenue .....		\$43,724 75
Mail .....		1,200 00
Total passenger earnings .....		\$44,924 75
Freight revenue .....	\$60,491 79	
Storage, etc. ....	105 00	
Total freight earnings .....		60,596 79
Total passenger and freight earnings .....		\$105,521 54
Other earnings from operation :		
Car mileage—balance .....	\$373 74	
Rents not otherwise provided for .....	210 00	
Total other earnings .....		583 74
Total gross earnings from operation .....		\$106,105 28

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures :	
Repairs of roadway .....	\$10,047 99
Renewals of rails .....	63 22
Renewals of ties .....	54 26
Repairs and renewals of bridges and culverts .....	1,196 54
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	164 63
Repairs and renewals of buildings and fixtures .....	646 02
Repairs and renewals of docks and wharves .....	926 39
Repairs and renewals of telegraph .....	98 16
Stationery and printing .....	60 90
Other expenses .....	1,379 08
Total .....	\$14,637 19
Maintenance of equipment :	
Superintendence .....	\$1,864 00
Repairs and renewals of locomotives .....	5,762 39
Repairs and renewals of passenger cars .....	2,721 37
Repairs and renewals of freight cars .....	1,249 71
Repairs and renewals of work cars .....	89 72
Stationery and printing .....	47 20
Total .....	\$11,734 39
Conducting transportation :	
Superintendence .....	\$2,400 00
Engine and roundhouse men .....	10,758 50
Fuel for locomotives .....	12,286 48
Water supply for locomotives .....	873 20
Oil, tallow, and waste for locomotives .....	385 17
Other supplies for locomotives .....	281 74
Train service .....	6,814 95
Train supplies and expenses .....	1,163 05
Switchmen, flagmen, and watchmen .....	3,006 26
Telegraph expenses .....	843 93
Station service .....	12,508 04
Station supplies .....	3,766 12
Loss and damage .....	63 49
Injuries to persons .....	109 35
Advertising .....	2,190 16
Rents of buildings and other property .....	291 00
Stationery and printing .....	863 50
Total .....	\$58,604 94



## OPERATING EXPENSES—Continued.

Item.	Amount.
General expenses:	
Salaries of general officers .....	\$5,991 67
Salaries of clerks and attendants .....	1,730 50
General office expenses and supplies .....	194 91
Insurance .....	774 75
Law expenses .....	2,418 65
Stationery and printing (general offices) .....	300 86
Other expenses .....	352 48
Total .....	\$11,763 82
Recapitulation of expenses:	
Maintenance of way and structures .....	\$14,637 19
Maintenance of equipment .....	11,734 39
Conducting transportation .....	58,604 94
General expenses .....	11,763 82
Grand total .....	\$96,740 34
Percentage of operating expenses to earnings .....	91.173

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$4,564,735 78	Cost of road and equipment .....	\$4,570,210 62	\$5,474 84	
31,290 08	Cash and current assets .....	23,175 48		\$8,114 60
10,767 47	Materials and supplies .....	11,335 65	568 18	
\$4,606,793 33	Totals .....	\$4,604,721 75		\$2,071 58
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$3,000,000 00	Capital stock .....	\$3,000,000 00		
1,500,000 00	Funded debt .....	1,500,000 00		
78,615 28	Current liabilities .....	74,518 74		\$2,098 52
30,178 07	Profit and loss .....	30,205 01	\$26 94	
\$4,606,793 33	Totals .....	\$4,604,721 75		\$2,071 58

## CONTRACTS, AGREEMENTS, ETC.

2. Mail is carried between Los Angeles and Long Beach, 21.9 miles, and between Pasadena and Altadena, 6.18 miles.

5. With Southern California Railway Company in freight business between East San Pedro and Manhattan Junction, 24.50 miles; with Southern California Railway Company, Southern Pacific Company, and Los Angeles & Redondo Railway Company on freight business between Los Angeles and adjacent seaports.

6. With Pacific Coast Steamship Company on freight business between Los Angeles and adjacent seaports.

7. With Western Union Telegraph Company for line along this road.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount per Mile of Line.
First mortgage .....	Los Angeles to East San Pedro .....	27.0	\$34,324 94
	Los Angeles to Pasadena .....	8.5	34,324 94
	Los Angeles to Verdugo .....	8.2	34,324 94

All equipment and all income are mortgaged.

## EMPLOYEES AND SALARIES.

Class.	Number.	Total Days Worked.	Total Com- pensation.	Average Daily Compensation.
General officers .....	4	730	\$5,991 67	\$8 20.7
Other officers .....	2	730	4,400 00	6 02.7
General office clerks .....	2	816	1,730 50	2 12.0
Station agents .....	8	3,020	7,432 00	2 46.0
Other station men .....	5	1,965	3,118 00	1 58.6
Enginemen .....	8	2,367	7,101 00	3 00.0
Firemen .....	6	2,090	3,657 50	1 75.0
Conductors .....	4	1,516	4,350 50	2 86.9
Other trainmen .....	5	1,375	2,464 45	1 79.2
Machinists .....	3	1,136	3,617 50	3 18.4
Carpenters .....	2	738	1,895 50	2 56.8
Other shopmen .....	5	1,475	4,425 75	3 00.0
Section foremen .....	5	1,816	4,575 00	2 51.9
Other trackmen .....	10	3,805	5,805 75	1 52.5
Switchmen, flagmen, and watchmen .....	5	2,385	3,006 26	1 26.0
Telegraph operators and dispatchers .....	1	415	750 00	1 80.7
Total (including general officers) .....	75	26,379	\$64,321 38	\$2 43.8
Less general officers .....	4	730	5,991 67	8 20.7
Total (excluding general officers) .....	71	25,649	\$58,329 71	\$2 27.4
Distribution of above:				
General administration .....	8	2,276	\$12,122 17	\$5 32.6
Maintenance of way and structures .....	16	5,821	10,856 25	1 86.5
Maintenance of equipment .....	9	3,149	9,463 25	3 00.5
Conducting transportation .....	42	15,133	31,879 71	2 10.6
Total (including general officers) .....	75	26,379	\$64,321 38	\$2 43.8
Less general officers .....	4	730	5,991 67	8 20.7
Total (excluding general officers) .....	71	25,649	\$58,329 71	\$2 27.4

The President receives no compensation. The positions of Treasurer and Auditor are combined.

## DESCRIPTION OF EQUIPMENT.

Item.	Total.
Locomotives:	
Passenger .....	4
Freight .....	4
Total locomotives .....	8
Cars in passenger service:	
First-class passenger cars .....	13
Combination passenger cars .....	6
Other cars in passenger service .....	1
Total .....	20
Cars in freight service:	
Box cars .....	34
Flat cars .....	74
Stock cars .....	1
Coal cars .....	38
Total .....	147
Cars in company's service:	
Derrick cars .....	1
Caboose cars .....	2
Other road cars .....	1
Total .....	4
Total cars owned .....	171

All rolling stock is equipped with the Westinghouse air-brake.

Fitted with automatic coupler: 20 cars in passenger service, with Miller patent; 34 box cars, 74 flat cars, 1 stock car, 38 coal cars, 1 derrick car, 2 caboose cars, and 1 road car, with Safford patent.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue .....	163,666	
Number of passengers carried one mile .....	2,515,546	
Number of passengers carried one mile per mile of road ..	50,110	
Average distance carried—miles .....	15.37	
Total passenger revenue .....		\$43,724 75
Average amount received from each passenger .....		26.716
Average receipts per passenger per mile .....		01.738
Total passenger earnings .....		44,924 75
Passenger earnings per mile of road .....		894 92
Passenger earnings per train mile .....		43.238
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue .....	46,304	
Number of tons carried one mile .....	849,215	
Number of tons carried one mile per mile of road .....	16,916	
Average distance haul of one ton—miles .....	18.34	
Total freight revenue .....		60,491 79
Average amount received for each ton of freight .....		1 30.641
Average receipts per ton per mile .....		07.123
Total freight earnings .....		60,696 79
Freight earnings per mile of road .....		1,207 11
Freight earnings per train mile .....		1 29.009
<b>Passenger and freight:</b>		
Passenger and freight revenue .....		104,216 54
Passenger and freight revenue per mile of road .....		2,076 03
Passenger and freight earnings .....		105,521 54
Passenger and freight earnings per mile of road .....		2,102 02
Gross earnings from operation .....		106,105 28
Gross earnings from operation per mile of road .....		2,113 65
Gross earnings from operation per train mile .....		70.328
Operating expenses .....		96,740 34
Operating expenses per mile of road .....		1,927 10
Operating expenses per train mile .....		64.120
Income from operation .....		9,364 94
Income from operation per mile of road .....		186 55
<b>Train mileage:</b>		
Miles run by passenger trains .....	93,000	
Miles run by freight trains .....	14,265	
Miles run by mixed trains .....	43,608	
Total mileage trains earning revenue .....	150,873	
Miles run by switching trains .....	19,223	
Grand total train mileage .....	170,096	
Mileage of loaded freight cars—north or east .....	104,892	
Mileage of loaded freight cars—south or west .....	26,185	
Mileage of empty freight cars—north or east .....	4,739	
Mileage of empty freight cars—south or west .....	82,280	
Average number of freight cars in train .....	15.29	
Average number of loaded cars in train .....	9.19	
Average number of empty cars in train .....	6.10	
Average number of tons of freight in train .....	59.53	
Average number of tons of freight in each loaded car .....	6.48	

Mileage of switching trains based on reports of engineers of number of hours on switch engines, calculating mileage at 8 miles per hour.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road— Tons.	Received from Connecting Roads—Tons.	Total Freight Tonnage.	Per Cent.
Products of Agriculture:				
Grain .....	1,271	4	1,275	2.75
Flour .....	90	190	280	.60
Other mill products .....	318	67	385	.83
Hay .....	689	50	739	1.59
Fruit and vegetables .....	3,581	412	3,993	8.63
Products of animals:				
Live stock .....	110	1	111	.24
Dressed meats .....	254	36	290	.63
Other packing-house products ..	48	897	945	2.04
Poultry, game, and fish .....	421	1	422	.91
Wool .....	67		67	.15
Hides and leather .....		5	5	.01
Products of mines:				
Anthracite coal .....		19	19	.04
Bituminous coal .....	1,613	941	2,554	5.52
Coke .....	34		34	.07
Stone, sand, and other like arti- cles .....		10	10	.02
Products of forest:				
Lumber .....	27,029	433	27,462	59.31
Lumber products .....	1,236	259	1,495	3.23
Wood .....		17	17	.04
Manufactures:				
Petroleum and other oils .....	278	97	375	.81
Sugar .....	69	571	640	1.38
Naval stores .....		64	64	.14
Iron, pig and bloom .....		20	20	.04
Iron and steel rails .....		41	41	.09
Other castings and machinery ..	429	53	482	1.04
Bar and sheet metal .....		27	27	.06
Cement, brick, and lime .....	319	337	656	1.42
Agricultural implements .....	12		12	.02
Wagons, carriages, tools, etc. ....	5		5	.01
Wines, liquors, and beers .....	97		97	.21
Household goods and furniture ..	269	75	344	.74
Merchandise .....	1,441	883	2,324	5.02
Miscellaneous: Other commodi- ties not mentioned above .....	883	231	1,114	2.41
Total tonnage .....	40,563	5,741	46,304	100.00

## MILEAGE OF ROAD OWNED AND OPERATED. (All in California.)

Line in Use.	Main Line.	Branches and Spurs.	Total Mileage Operated.	Steel Rails.
Miles of single track .....	43.10	7.10	50.20	50.20
Miles of yard track and sidings ..	8.49	.45	8.94	8.94
Total (all tracks) .....	51.59	7.55	59.14	59.14

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Total Oil Consumed— Barrels.	Miles Run.	Average Gal- lons Consumed per Mile.
All .....	19,820	170,096	4.894

Average cost at distributing point: 81.99 cents per barrel, 1.476 cents per gallon, 7.224 cents per mile.

## ACCIDENTS TO PERSONS.

Trainmen: 2 killed, coupling and uncoupling.

Other employes: 1 injured by having hand mashed while switching cars; 1 (painter) injured by falling from roof of station building.

Passengers: 2 ladies injured by stepping off moving trains.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.			
		Number of Curves.	Aggregate Length of Curved Line—Miles.....	Length of Straight Line—Miles.....	
Los Angeles to East San Pedro .....	27.5	31	5.5	22.0	
Los Angeles to Altadena.....	15.6	58	5.8	10.0	
Glendale Junction to Verdugo Park .....	7.1	23	1.6	5.5	
Totals .....	50.2	112	12.7	37.5	

Working Divisions or Branches.	Profile.						
	Length of Level Line—Miles.....	Number of Ascending Grades..	Sum of Ascents of Ascending Grades—Feet.....	Aggregate Length of Ascending Grades—Miles.....	Number of Descending Grades.	Sum of Descents of Descending Grades—Feet.....	Aggregate Length of Descending Grades—Miles.....
Los Angeles to East San Pedro .....	6.9	14	60.4	3.4	41	318.3	17.2
Los Angeles to Altadena.....	1.0	144	1,100.4	4.4	18	44.0	1.2
Glendale Junction to Verdugo Park.....	0.4	50	439.6	6.1	4	30.5	0.7
Totals .....	8.3	208	1,600.4	13.9	63	392.8	19.1

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Trestles .....	27	5,618 feet.	10 feet.	1,200 feet.

Item.	Number.	Height Above Surface of Rail.
Overhead highway crossings:		
Bridges .....	4	21 feet.
Conduits .....	2	16 feet.
Total .....	6	
Overhead railway crossings:		
Bridges .....	1	21 feet.

Gauge of track, 4 feet 8½ inches; length, 50.2 miles.

TELEGRAPH OWNED BY ANOTHER COMPANY, BUT LOCATED ON PROPERTY OF ROAD  
MAKING THIS REPORT.

Miles of Line.	Miles of Wire.	Name of Owner.	Name of Operating Company.
43.1	43.1	Western Union Telegraph Co.....	Western Union Telegraph Co.

## CAR MILEAGE.

We pay the usual California mileage on all foreign freight cars that come on our road. We have no special agreement with any one.

STATE OF CALIFORNIA, }  
County of Los Angeles. } ss.

We, the undersigned, T. E. Gibbon, Vice-President, and Fred K. Rule, Auditor and Treasurer, of the Los Angeles Terminal Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

T. E. GIBBON,  
Vice-President.  
FRED K. RULE,  
Auditor and Treasurer.

Subscribed and sworn to before me, this 14th day of September, 1896.

W. J. COX,  
Notary Public in and for Los Angeles County, California.

## VISALIA &amp; TULARE RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Visalia & Tulare Railroad Company.
2. Date of organization: November 4, 1887.
3. Under laws of what Government, State, or Territory organized: California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
Jasper Harrell .....	Visalia, Cal.
A. J. Harrell .....	Visalia, Cal.
G. A. Botsford .....	Visalia, Cal.
Chas. P. Lindsey .....	Visalia, Cal.
Geo. D. Smith .....	Visalia, Cal.
V. D. Knupp .....	Porterville, Cal.
T. H. Thompson .....	Tulare, Cal.

Date of expiration of terms of Directors: June 1, 1897.  
Total number of stockholders at date of last election: 9.  
Date of last meeting of stockholders for election of Directors: June 1, 1896.  
Post Office address of general and operating offices: Visalia, Cal.  
Name and address of officer to whom correspondence regarding this report should be addressed: A. J. Harrell, General Manager, Visalia, Cal.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President .....	Jasper Harrell .....	Visalia, Cal.
First Vice-President .....	A. J. Harrell .....	Visalia, Cal.
Secretary .....	Geo. D. Smith .....	Visalia, Cal.
Treasurer .....	Producers Bank .....	Visalia, Cal.
General Solicitor .....	W. G. Dozier .....	Visalia, Cal.
General Manager .....	A. J. Harrell .....	Visalia, Cal.
Chief Engineer .....	George Wright .....	Visalia, Cal.
General Superintendent .....	A. J. Harrell .....	Visalia, Cal.
Traffic Manager .....	W. G. Dozier .....	Visalia, Cal.
General Freight Agent .....	W. G. Dozier .....	Visalia, Cal.
General Passenger Agent .....	Thos. H. Thompson .....	Visalia, Cal.
Asst. Gen. Passenger Agent .....	W. G. Dozier .....	Visalia, Cal.
General Baggage Agent .....	Edward Rhodeffer .....	Visalia, Cal.

## PROPERTY OPERATED.

The Visalia & Tulare Railroad is operated by main line from Visalia to Tulare, a distance of 11½ miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$100,000, divided into 1,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$60,000.

Manner of payment for capital stock: Number of shares issued and outstanding, 1 000; total cash realized, \$60,000.

## FUNDED DEBT.

In 1888 an issue of first mortgage bonds to the amount of \$50,000 was authorized, and which amount is now outstanding. The cash realized was \$49,000. The bonds mature in 1898, and bear 7 per cent interest, payable semi-annually. The interest accruing during the year amounted to \$3,500, which was paid in full.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued and Outstanding.	Interest Accrued During Year.	Interest Paid During Year.
Mortgage bonds .....	\$50,000 00	\$3,500 00	\$3,500 00

## CURRENT LIABILITIES ACCRUED TO AND INCLUDING JUNE 30, 1896.

Loans and bills payable..... \$23,678 77

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount Per Mile of Line.
Capital stock .....	\$60,000 00	\$60,000 00	11½ }	\$5,217 39
Bonds .....	50,000 00	50,000 00		4,347 82
Totals .....	\$110,000 00	\$110,000 00	11½	\$9,665 21

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.	Miles.	Amount Per Mile of Line.
Visalia & Tulare.	\$60,000 00	\$50,000 00	\$23,678 77	\$133,678 77	11½	\$11,624 24

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Construction (all construction included) .....	\$91,054 66	\$91,054 66
Real estate .....	1,601 50	1,601 50
Buildings, furniture, and fixtures .....	2,612 12	2,612 12
Total construction .....	\$95,268 28	\$95,268 28
Equipment (total cost of rolling stock) .....	21,150 78	21,150 78
Total cost construction, equipment, etc. ....	\$116,419 06	\$116,419 06

## INCOME ACCOUNT.

Gross earnings from operation .....	\$8,991 50	
Less operating expenses .....	6,900 58	
Total income .....		\$2,090 92
Deductions from income:		
Interest on funded debt accrued .....	\$3,500 00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	1,412 65	
Interest on real estate mortgages (insurance) .....	4 85	
Taxes .....	500 27	
Other deductions (legal expense) .....	198 50	
Total deductions from income .....		5,616 27
Deficit from operations of year ending June 30, 1896 .....		\$3,525 35
Deficit on June 30, 1896 .....		16,006 88

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger revenue .....	\$7,492 25
Extra baggage and storage .....	98 95
Total passenger earnings .....	\$7,591 20
Freight earnings .....	1,400 30
Total gross earnings from operation .....	\$8,991 50

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures .....	\$1,992 71
Maintenance of equipment .....	341 05
Conducting transportation:	
Engine and roundhouse men .....	\$1,440 00
Fuel for locomotives .....	1,260 00
Water supply for locomotives .....	120 00
Oil, tallow, waste, and other supplies for locomotives, train service, train supplies and expenses, switchmen, flagmen, and watchmen, telegraph expenses, station service and supplies, switching charges (balance), car mileage (balance), and hire of equipment .....	1,646 82
Rents for tracks, yards, and terminals .....	100 00
Total .....	\$4,566 82
Recapitulation of expenses:	
Maintenance of way and structures .....	\$1,992 71
Maintenance of equipment .....	341 05
Conducting transportation .....	4,566 82
Grand total .....	\$6,900 58



## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.
\$91,054 66	Cost of road .....	\$91,054 66	
21,150 78	Cost of equipment .....	21,150 78	
2,612 12	Building account .....	2,612 12	
257 83	Bills receivable .....	257 83	
1,601 50	Lands owned .....	1,601 50	
995 00	Assessments unpaid .....	995 00	
*12,481 53	Profit and loss .....	*18,006 88	\$3,525 35
\$130,153 42	Totals .....	\$133,678 77	
June 30, 1895.	Liabilities.	June 30, 1896.	
\$60,000 00	Capital stock .....	\$60,000 00	
50,000 00	Funded debt .....	50,000 00	
21,153 42	Current liabilities .....	23,678 77	
\$131,153 42	Totals .....	\$133,678 77	

\* Loss.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount of Mortgage per Mile of Line.	What Equipment Mortgaged.
First mortgage bonds..	Visalia to Tulare.....	11½	\$4,347 82	All.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	13,463	
Total passenger revenue .....		\$7,492 25
Total passenger earnings .....		7,591 20
Freight traffic:		
Number of tons carried of freight earning revenue .....	944	
Total freight revenue .....		1,400 30
Passenger and freight:		
Passenger and freight earnings .....		8,991 50
Passenger and freight earnings per mile of road .....		781 87
Gross earnings from operation .....		8,991 50
Gross earnings from operation per mile of road .....		781 87
Operating expenses .....		6,900 58
Operating expenses per mile of road .....		600 50
Income from operation .....		8,991 50
Income from operation per mile of road .....		781 87
Train mileage:		
Miles run by passenger trains .....	25,185	

## FREIGHT TRAFFIC MOVEMENT.

Statistics concerning freight are not kept separately.

## EMPLOYEES AND SALARIES.

Class.	Number.	Number of Days Worked.	Total Yearly Compensation.	Average Daily Compensation.
Engineman .....	1	365	\$900 00	\$2 50
Fireman .....	1	365	500 00	1 50
Conductor .....	1	365	780 00	2 16
Section foreman .....	1	360	900 00	2 50
Other trackmen not employed regularly .....			839 20	
Totals .....	4	1,455	\$3,959 20	

## DESCRIPTION OF EQUIPMENT.

Locomotives in service, 2; first-class passenger cars in service, 3. The Southern Pacific Company furnishes freight cars as needed.  
One locomotive is equipped with air train brake.

## MILEAGE.

This company owns and operates  $11\frac{1}{4}$  miles (main line) of single track, all in California. Rails are 30-lb. steel.

## NEW TIES LAID DURING YEAR.

No record kept of new ties laid during year.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

In running 25,185 miles, passenger locomotives used 365 cords of hard wood. Average price at distributing point, \$3 50 per cord.

## CHARACTERISTICS OF ROAD.

Visalia to Tulare: Length of track (level throughout),  $11\frac{1}{4}$  miles; aggregate length of curved line,  $1\frac{1}{4}$  miles; length of straight line, 10 miles.  
Bridges: Wooden, 7; aggregate length, 208 feet; minimum length, 16 feet; maximum length, 32 feet.

Gauge of track, 4 feet  $8\frac{1}{2}$  inches; length,  $11\frac{1}{4}$  miles.

STATE OF CALIFORNIA, }  
County of Tulare. } ss.

We, the undersigned, Jasper Harrell, President, and Geo. D. Smith, Secretary, of the Visalia & Tulare Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JASPER HARRELL,  
President.  
GEO. D. SMITH,  
Secretary.

Subscribed and sworn to before me, this 7th day of August, 1896.

G. A. BOTSFORD,  
Notary Public in and for Tulare County, State of California.

## YREKA RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Yreka Railroad Company.
2. Date of organization: May 23, 1888.
3. Under what laws organized: Laws of the State of California.

## ORGANIZATION.

Names of Directors: J. Churchill, J. M. Walbridge, Chas. Junker, H. B. Gillis, M. Renner, all of Yreka, California.

Date of expiration of terms of Directors: May, 1897.

Number of stockholders at date of last election: 190.

Last meeting of stockholders for election of Directors: May 4, 1896.

Post Office address of general and operating offices: Yreka.

Name and address of officer to whom correspondence regarding this report should be addressed: J. T. Schultz, Superintendent, Yreka, California.

## OFFICERS.

Title.	Name.
Chairman of the Board.....	J. Churchill.
President.....	J. Churchill.
Vice-President.....	J. M. Walbridge.
Secretary.....	F. E. Wadsworth.
Treasurer.....	Siskiyou County Bank.
General Manager.....	J. Churchill.
General Superintendent.....	J. T. Schultz.
Superintendent of Telegraph, Traffic Manager, General Freight Agent, General Passenger Agent, General Ticket Agent, and General Baggage Agent.....	J. T. Schultz.

## PROPERTY OPERATED.

Yreka Railroad: Montague to Yreka, a distance of 7.9 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$100,000, divided into 4,000 shares of a par value of \$25 each. The total amount issued and outstanding is \$99,075.

Manner of payment for capital stock: Issued for cash, 3,963 shares; realized on amount issued, \$49,575; cash raised by note of Directors and five citizens, \$45,000; total cash realized, \$94,575.

## FUNDED DEBT.

Class of Bond or Obligation.	Date of Issue.	When Due.	Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
Mortgage...	Mar., '95	Mar., '99	\$45,000 00	\$45,000 00	\$45,000 00	\$45,000 00

These bonds bear 7 per cent interest, payable quarterly. Interest accrued during year, \$3,594 27, which amount was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Accrued During Year.	Interest Paid During Year.
Mortgage bonds.....	\$45,000 00	\$45,000 00	\$3,150 00	\$3,150 00
Miscellaneous obligations—bank overdraft.....	.....	3,902 57	444 27	444 27
Totals .....	\$45,000 00	\$48,902 57	\$3,594 27	\$3,594 27

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.	Current Liabilities Accrued to and Including June 30, 1896.
Materials and supplies on hand.. \$36,224 28	Loans and bills payable ..... \$3,902 57

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$99,075 00	\$144,075 00	7.5	\$13,210 00
Bonds.....	45,000 00			6,000 00
Current liabilities.....	8,902 57			494 00
Totals.....	\$147,977 57	\$147,075 00		

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Funded Debt.	Total.	Miles.	Amount per Mile of Line.
Yreka Railroad.....	\$100,000 00	\$45,000 00	\$145,000 00	7.5	\$19,333 00

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Construction:		
Right of way .....	\$1,775 00	\$1,775 00
Other real estate.....	2,561 90	2,561 90
Fences.....	1,107 37	1,107 37
Grading, and bridge and culvert masonry.....	38,505 31	38,505 31
Bridges and trestles .....	3,271 10	3,271 10
Rails .....	223 21	223 21
Ties .....	22 50	22 50
Other superstructure .....	40,330 92	40,330 92
Buildings, furniture, and fixtures.....	2,492 73	2,492 73
Engineering expenses .....	6,485 20	6,485 20
Terminal facilities and elevators .....	449 40	449 40
Other items .....	6,331 72	6,331 72
Total construction .....	\$103,556 36	\$103,556 36
Equipment:		
Cars of all classes .....	\$64 25	\$64 25
Floating equipment .....	12,446 50	12,446 50
Total equipment.....	\$12,510 75	\$12,510 75
Total cost construction, equipment, etc. ....	\$116,067 11	\$116,067 11

Cost per mile, \$15,475 61.

## INCOME ACCOUNT.

Gross earnings from operation .....	\$14,286 22	
Less operating expenses .....	8,389 13	
Income from operation .....		\$5,897 09
Deductions from income:		
Interest on funded debt accrued .....	\$3,150 00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	444 27	
Rents paid for lease of road .....	684 30	
Total deductions from income .....		4,278 57
Surplus from operations of year ending June 30, 1896 .....		\$1,618 52
Surplus on June 30, 1895 .....		1,708 30
Surplus on June 30, 1896 .....		\$3,326 82

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Actual Earnings.
Passenger revenue .....		\$7,240 00
Mail .....	\$458 72	
Express .....	613 18	
		1,071 90
Total passenger earnings .....		\$8,311 90
Freight revenue .....		5,974 32
Total passenger and freight earnings .....		\$14,286 22

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$707 05
Renewals of ties .....	154 15
Repairs and renewals of bridges and culverts .....	233 42
Repairs and renewals of telegraph .....	17 50
Total .....	\$1,112 12
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$1,367 39
Repairs and renewals of passenger and freight cars .....	52 44
Total .....	\$1,419 83
Conducting transportation:	
Superintendence .....	\$978 00
Engine and roundhouse men .....	1,741 00
Fuel for locomotives .....	1,866 20
Water supply for locomotives .....	85 09
Station service .....	300 00
Station supplies .....	120 00
Car mileage—balance .....	225 00
Commissions .....	262 36
Stationery and printing .....	95 06
Other expenses .....	184 47
Total .....	\$5,857 18
Recapitulation of expenses:	
Maintenance of way and structures .....	\$1,112 12
Maintenance of equipment .....	1,419 83
Conducting transportation .....	5,857 18
Grand total .....	\$8,389 13

# REPORT OF YREKA RAILROAD COMPANY.

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## COMPARATIVE GENERAL BALANCE SHEET.

Assets.	June 30, 1896.	Liabilities.	June 30, 1896.
Cost of road .....	\$103,556 36	Capital stock .....	\$100,000 00
Cost of equipment .....	12,510 75	Funded debt .....	45,000 00
Materials and supplies and other expenses .....	36,224 28	Current liabilities .....	3,902 57
Total .....	\$152,291 39	Profit and loss .....	3,326 82
		Total .....	\$152,229 39

## CONTRACTS, AGREEMENTS, ETC.

Contract with Wells, Fargo & Co.'s Express. No fixed sum per annum, income depending on amount carried.

Mail contract with United States Government, at \$458 72 per annum.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount of Mortgage Per Mile of Line.	What Equipment Mortgaged.
Mortgage .....	Montague to Yreka ...	7.9	\$5,700 00	..... All.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Days Worked.	Total Compen- sation.	Average Daily Compensation.
Station agents .....	1	365	\$978 00	\$2 67+
Other station men .....	2	365	300 00	82
Enginemen .....	1	365	1,067 50	2 92+
Firemen .....	1	365	661 00	1 81+
Other trainmen .....			12 50	
Section foremen .....	1	365	608 00	
Other trackmen .....		52	93 30	1 80
Total .....			\$3,720 30	
Distribution of above:				
General administration .....			\$1,278 00	
Maintenance of way and structures .....			701 30	
Maintenance of equipment and transportation .....			1,741 00	
Total .....			\$3,720 30	

General officers consist of Board of Directors and Secretary, and receive no salary.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue.....	12,918	
Total passenger revenue.....		\$7,240 00
Total passenger earnings.....		8,311 90
Passenger earnings per mile of road.....		1,108 25
Passenger earnings per train mile.....		72.064
Freight traffic:		
Number of tons carried of freight earning revenue.....	3,690	
Total freight revenue.....		5,974 32
Average receipts per ton per mile.....		16.1+
Total freight earnings.....		5,974 32
Freight earnings per mile of road.....		791 10
Freight earnings per train mile.....		51.797
Passenger and freight:		
Passenger and freight revenue.....		13,214 32
Passenger and freight revenue per mile of road.....		1,761 90
Passenger and freight earnings.....		14,286 22
Passenger and freight earnings per mile of road.....		1,904 83
Gross earnings from operation.....		14,286 22
Gross earnings from operation per mile of road.....		1,904 83
Gross earnings from operation per train mile.....		1 23.861
Operating expenses.....		8,389 13
Operating expenses per mile of road.....		1,118 55
Operating expenses per train mile.....		72.733
Income from operation.....		5,897 09
Income from operation per mile of road.....		786 27
Train mileage:		
Miles run by mixed trains.....	11,534	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Month.	Received from Connecting Roads—Lbs.
July.....	646,672
August.....	565,409
September.....	613,272
October.....	935,205
November.....	786,236
December.....	395,395
January.....	191,579
February.....	514,580
March.....	519,457
April.....	960,090
May.....	563,717
June.....	700,328
	7,381,940

Or 3,690+ tons.

There are no important commodities on this line. Shipping consists almost entirely of general merchandise.

## DESCRIPTION OF EQUIPMENT.

Locomotives—passenger, 1. Cars in passenger service—combination passenger cars, 1. Cars in freight service—box cars, 1; flat cars, 2; hand cars, 2; total cars owned, 6. Coach has Miller hook automatic coupler, and box car California automatic coupler. Flat cars are very seldom used, and have regular drawhead coupler.

## MILEAGE OF ROAD OPERATED.

Miles of single track, 7.5; miles of yard track and sidings, 0.4; total mileage operated 7.9. Line is in California. The rails are steel.

## NEW TIES LAID DURING YEAR.

New ties laid, 710, mostly fir and cedar; some pine. Average price at distributing point, 21 cents.

## CONSUMPTION OF FUEL BY LOCOMOTIVE.

In running 11,634 miles, locomotive consumed 400 cords of soft wood (200 tons fuel). Average price at distributing point, \$4 per cord.

Consumption of fuel based on an average of what we regularly consume. No record kept upon which to base actual consumption. Due allowance made for extra running.

## ACCIDENTS.

No accidents to speak of; some small derailments, but none of consequence. No injuries sustained.

## CHARACTERISTICS OF ROAD.

Montague to Yreka: Length, 7.9 miles; number of curves, 32; aggregate length of curved line, 25,278 feet; length of straight line, 14,178 feet; length of level line, 1,250 feet; number of ascending grades, 1; sum of ascents, 282.89 feet; aggregate length of ascending grades, 14,300 feet; number of descending grades, 2; sum of descents, 216.24 feet; aggregate length of descending grades, 24,957 feet.

Bridges: Wooden, 1; 80-foot span.

Trestles: 7; aggregate length, 826 feet.

Gauge of track: 4 feet 8½ inches; length, 7.5 miles.

## CAR MILEAGE.

Mileage is paid the Southern Pacific Company for use of freight cars.

STATE OF CALIFORNIA, }  
County of Siskiyou. } ss.

We, the undersigned, Jerome Churchill, President, and J. T. Schultz, Superintendent, of the Yreka Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JEROME CHURCHILL,  
President.  
J. T. SCHULTZ,  
Superintendent.

Subscribed and sworn to before me this 19th day of August, 1896.

JAS. R. TAPSCOTT,  
Notary Public in and for Siskiyou County, Cal.



## VISALIA RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Visalia Railroad Company.
2. Date of organization: May 24, 1874.
3. Under laws of what Government, State, or Territory organized: State of California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
R. E. Hyde .....	Visalia
S. Sweet .....	San Francisco.
E. Jacob .....	Visalia.
L. C. Hyde .....	Visalia.
S. Mitchell .....	Visalia.

Date of expiration of terms of Directors: June, 1897.  
 Number of stockholders at date of last election: 5.  
 Last meeting of stockholders for election of Directors: June 13, 1896.  
 Post Office address of general office: Visalia.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	R. E. Hyde .....	Visalia.
Vice-President .....	S. Sweet .....	San Francisco.
Secretary .....	Julius Levy .....	Visalia.
Treasurer .....	E. Jacob .....	Visalia.

## PROPERTY OPERATED.

Name.	Terminals.	Miles.
Visalia Railroad .....	Visalia to Goshen .....	8

## CAPITAL STOCK.

Amount of capital stock, \$100,000; number of shares, 1,000; par value of shares, \$100;  
 amount issued and outstanding, \$100,000.

## RECAPITULATION.

*For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Miles.	Amount per Mile of Line.
Capital stock .....	\$100,000 00	8	\$20,985 21

# REPORT OF VISALIA RAILROAD COMPANY.

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## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

The total cost of road, equipment, and improvements to June 30, 1896, is \$167,616 97.

### INCOME ACCOUNT.

Gross earnings from operation .....	\$15,564 37	
Less operating expenses .....	11,516 00	
Total income .....		\$4,048 37
Surplus on June 30, 1896 .....		\$104,048 37
Deficit on June 30, 1896 .....		284,765 34

### EARNINGS FROM OPERATION.

Item.	Total Receipts.	Actual Earnings.
Passenger revenue .....	\$6,577 40	
Mail .....	283 96	
Express .....	707 25	
Total passenger earnings .....		\$7,568 61
Freight earnings .....		7,995 76
Total gross earnings from operation .....		\$15,564 37

### RAILWAY STOCKS OWNED.

Name.	Par Value.
R. E. Hyde .....	\$43,500 00
S. Sweet .....	31,100 00
E. Jacob .....	24,700 00
L. C. Hyde .....	400 00
S. Mitchell .....	300 00

### MISCELLANEOUS INCOME.

Item.	Gross Income.	Less Expenses.	Net Income.
Fares .....	\$6,577 40		
Freights .....	7,995 76		
Mail .....	283 96		
Express .....	707 25		
Salaries .....		\$7,318 00	
Carr. to Southern Pacific R. R. ....		808 00	
Fuel .....		1,400 00	
Station supplies .....		500 00	
Maintenance of equipment .....		990 00	
Conducting transportation .....		500 00	
Totals .....	\$15,564 37	\$11,516 00	\$4,048 37

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$540 00
Repairs and renewals of combination cars .....	250 00
Other expenses .....	200 00
Total .....	\$990 00
Conducting transportation:	
Engine and roundhouse men .....	\$1,200 00
Fuel for locomotives .....	1,400 00
Oil, tallow, and waste for locomotives .....	150 00
Train service .....	6,118 00
Station supplies .....	500 00
Car mileage—balance .....	808 00
Stationery and printing .....	350 00
Total .....	\$11,516 00

## COMPARATIVE GENERAL BALANCE SHEET.

Assets.	June 30, 1896.	Liabilities.	June 30, 1896.
Cost of road .....	\$167,816 97	Capital stock .....	\$100,000 00
Stocks owned .....	100,000 00	Profit and loss .....	4,048 37
Lands owned .....	9,100 00		
Materials and supplies .....	4,000 00		
Profit and loss .....	4,048 37		
Total .....	\$284,765 34	Total .....	\$104,048 37

## CONTRACTS, AGREEMENTS, ETC.

Express matters are carried at \$5 per ton.

Mail at Government contract.

No contracts, agreements, or arrangements with any transportation, railroad, steamboat (as Visalia is an inland town), telegraph, or telephone company or companies.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Yearly Compensation.
General officers .....	3	None.
Station agent .....	1	\$1,020 00
Engineman .....	1	1,200 00
Conductor .....	1	840 00
Other trainman .....	1	720 00
Section foreman .....	1	1,080 00
Other trackmen .....	4	1,558 00
All other employés and laborers .....	2	900 00
Totals .....	14	\$7,318 00

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	14,616	
Average distance carried—miles .....	8	
Total passenger revenue .....		\$6,577 40
Average amount received from each passenger .....		45
Average receipts per passenger per mile .....		5%
Total passenger earnings .....		6,577 40
Freight traffic:		
Number of tons carried of freight earning revenue .....	8,756.5	
Total freight revenue .....		7,995 76
Average amount received for each ton of freight .....		91
Average receipts per ton per mile .....		11
Total freight earnings .....		7,995 76

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road— Tons.	Received from Connecting Roads—Tons.
Products of agriculture:		
Grain .....	297	12.5
Flour .....	12	75.5
Other mill products .....	224.5	
Hay .....	180.5	
Products of animals:		
Live stock .....	1,550	10
Hides and leather .....	20	
Products of mines:		
Anthracite coal .....	32	
Bituminous coal .....		66.5
Products of forest:		
Lumber .....	12	691
Wood .....	304	
Manufactures:		
Petroleum and other oils .....		24
Sugar .....		51.5
Iron and steel rails .....	15.5	
Other castings and machinery .....	10	39
Cement, brick, and lime .....		93
Wines, liquors, and beers .....		267.5
Household goods and furniture .....		10
Merchandise .....	1,064	2,056.5
Miscellaneous: Other commodities not mentioned above .....	124	914
Total tonnage .....	4,445.5	4,311.0

Total freight movement, 8,756.5 tons.

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives owned and in service:	
Passenger, freight, and switching.....	3
Cars in passenger service:	
Second-class cars.....	1
Combination cars.....	1
Total .....	2

## MILEAGE OF ROAD OPERATED.

Line in Use.	Main Line.	Branches and Spurs.	All Tracks.
Miles of single track .....	7 $\frac{3}{8}$	$\frac{1}{8}$	8

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

In running 48 miles, all locomotives consumed 4.25 cords of hard wood.

## CHARACTERISTICS OF ROAD.

Visalia to Goshen, 8 miles.

Telegraph: 8 miles of line and wire owned and operated by this company.

STATE OF CALIFORNIA, }  
County of Tulare. } ss.

We, the undersigned, R. E. Hyde, President, and Julius Levy, Secretary, of the Visalia Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

R. E. HYDE,  
President.  
JULIUS LEVY,  
Secretary.

Subscribed and sworn to before me, this 5th day of August, 1896.

C. J. GIDDINGS,  
Notary Public in and for Tulare County, California.

SAN FRANCISCO & SAN JOAQUIN VALLEY RAILWAY  
COMPANY.

## HISTORY.

1. Name of common carrier making this report: The San Francisco & San Joaquin Valley Railway Company.
2. Date of organization: February 20, 1895.
3. Under laws of what Government, State, or Territory organized: California.

## ORGANIZATION.

Names of Directors: Claus Spreckels, Robert Watt, Capt. A. H. Payson, Charles Holbrook, Leon Sloss, Thomas Magee, Isaac Upham, W. F. Whittier, J. D. Spreckels, J. B. Stetson, and Alvinza Hayward; all of San Francisco.

Date of expiration of terms of Directors: Annual meeting July 21, 1896.

Number of stockholders at date of last election: 588.

Last meeting of stockholders for election of Directors: February 20, 1895.

Post Office address of general office: 321 Market Street, San Francisco.

Name and address of officer to whom correspondence regarding this report should be addressed: Alexander Mackie, Secretary, 321 Market Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President.	Claus Spreckels.....	San Francisco.
First Vice-President.....	Robert Watt.....	San Francisco.
Second Vice-President.....	Capt. A. H. Payson.....	San Francisco.
Secretary.....	Alexander Mackie.....	San Francisco.
Treasurer.....	Bank of California.....	San Francisco.
General Solicitor.....	E. F. Preston.....	San Francisco.
Chief Engineer.....	W. B. Storey, Jr.....	San Francisco.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$8,000,000, divided into 80,000 shares of a par value of \$100 each. None issued to the public, except 50 shares to each of the Directors; balance (\$2,435,800) to trustees. No dividends were declared during the year.

## MANNER OF PAYMENT FOR CAPITAL STOCK.

	Number of Shares Issued.	Cash Realized on Amount Issued.	Number Shares Issued and Outstanding.	Cash Realized.
Issued for cash.....	24,358	\$1,728,630 00	24,358	\$1,728,630 00
Donations.....		7,000 00		7,000 00
Totals.....	24,358	\$1,735,630 00	24,358	\$1,735,630 00

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash.....	\$124,861 33	Audited vouchers and ac- counts.....	\$113,206 31
Bills receivable.....	16 93	Total current liabilities..	\$113,206 31
		Balance—cash assets .....	11,671 96
Total .....	\$124,878 26	Total .....	\$124,878 26

## RECAPITULATION.

*For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Apportionment to Railroads.	Miles.
Capital stock .....	\$2,435,800 00	\$2,435,800 00	*350

\* Building and projected.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.
Construction:	
Right of way .....	\$102,223 32
Fences .....	21,182 41
Grading, and bridge and culvert masonry .....	130,337 76
Bridges and trestles .....	215,892 31
Rails .....	380,063 89
Ties .....	128,322 54
Other superstructure .....	187,518 99
Buildings, furniture, and fixtures .....	7,934 16
Shop machinery and tools .....	4,131 44
Engineering expenses .....	71,513 32
Telegraph line .....	3,691 06
Sidings and yard extensions .....	23,115 51
Other items .....	28,725 53
Total construction .....	\$1,304,702 24
Equipment:	
Locomotives .....	\$30,085 93
Freight cars .....	158,345 69
Other cars of all classes .....	10,427 20
Total equipment .....	\$198,858 82
Total cost construction, equipment, etc .....	\$1,503,561 06

## COMPARATIVE GENERAL BALANCE SHEET.

Assets.	June 30, 1896.	Liabilities.	June 30, 1896.
Cost of road .....	\$1,304,702 24	Capital stock .....	\$1,728,630 00
Cost of equipment .....	198,858 82	Donations .....	7,000 00
Other permanent investments .....	221,988 02	Current liabilities .....	113,206 31
Cash and current assets .....	124,878 26	Miscellaneous .....	1,591 03
Total .....	\$1,850,427 34	Total .....	\$1,850,427 34

EMPLOYEES AND SALARIES.

There are no operating officers.

DESCRIPTION OF EQUIPMENT.

Added during year: Locomotives, 3; cars in construction service—box cars, 50; flat cars, 250; tank cars, 3; total, 303.

MILEAGE.

This company operates no line for transportation.

CHARACTERISTICS OF ROAD.

The road is building. No working divisions are established, the road not being operated, except for construction work.

Bridges, trestles, tunnels, etc.: Building.

Gauge of track: 4 feet 8½ inches.

Telegraph: When built, will be operated by the San Francisco & San Joaquin Valley Railway Company.

STATE OF CALIFORNIA, }  
City and County of San Francisco. } ss.

We, the undersigned, Robt. Watt, Vice-President, and Alexander Mackie, Secretary of the San Francisco & San Joaquin Valley Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

ROBT. WATT,  
Vice-President.  
ALEXANDER MACKIE,  
Secretary.

Subscribed and sworn to before me, this 28th day of September, 1896.

N. E. W. SMITH,  
Notary Public in and for the City and County of San Francisco, State of California.



## CRESCENT CITY &amp; SMITH RIVER RAILROAD.

## HISTORY.

1. Name of common carrier making this report: Crescent City & Smith River Railroad.

2. Date of organization: Not a corporation.

3. Under laws of what Government, State, or Territory organized: State of California.

This is a private logging road belonging to the firm of Hobbs, Wall & Co., and is an adjunct of their other business interests in Del Norte County, in connection with their logging, sawmilling, and general merchandising business. The accounts and work are to some extent mixed and kept in the same books as the store, sawmilling, and logging work, and by the same employes. Hence figures and details are not in every case full. The traffic is principally the firm's own business, that for outside parties forming but a small percentage of the whole.

The passenger traffic, which originally was quite fair, while the novelty lasted, has fallen off to such an extent that the daily train had to discontinue for a period of six months (January 1 to July 1, 1896), the expense being greater than the income.

## ORGANIZATION.

The firm of Hobbs, Wall & Co., is the sole owner of the property, which is not incorporated.

Post Office address of general and operating offices: Crescent City, California.

Name and address of officer to whom correspondence regarding this report should be addressed: J. Marhoffer, Manager, Crescent City, California.

## OFFICERS.

There are no officers specially retained for railroad business in the employ of the firm.

## PROPERTY OPERATED.

Crescent City & Smith River Railroad: From Crescent City to Smith River, 13.75 miles; from Junction to Fort Dick, 2.60 miles; total line operated, 16.35 miles.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.	Total Cost to June 30, 1896.	Total Cost to June 30, 1896.	Cost per Mile.
<b>Construction:</b>				
Right of way—3 miles, 75 feet.....		\$4,207 90	\$4,207 90	\$1,403 00
Fences—2 miles.....	\$97 13	390 19	487 32	243 66
Grading, and bridge and culvert masonry.....		83,301 69	83,301 69	5,095 00
Bridges and trestles.....		49,520 66	49,520 66	
Rails.....		66,580 54	66,580 54	4,000 00
Ties.....		6,793 57	6,793 57	411 00
Other superstructure.....		38,504 18	38,504 18	2,363 00
Buildings, furniture, and fixtures.....		6,528 66	6,528 66	
Engineering expenses.....		9,784 75	9,784 75	593 00
Telegraph line.....		581 67	581 67	35 00
Sidings and yard extensions.....		8,671 41	8,671 41	5,420 00
<b>Total construction.....</b>	<b>\$97 13</b>	<b>\$274,865 22</b>	<b>\$274,962 35</b>	
<b>Equipment:</b>				
Locomotives.....		\$13,468 69	\$13,468 69	
Combination cars.....		2,863 44	2,863 44	
Freight cars.....		1,415 00	1,415 00	
Other cars of all classes.....		21,117 57	21,117 57	
<b>Total equipment.....</b>		<b>\$38,864 70</b>	<b>\$38,864 70</b>	
<b>Total cost construction, equipment, etc.....</b>	<b>\$97 13</b>	<b>\$313,729 92</b>	<b>\$313,827 05</b>	

## INCOME ACCOUNT.

Gross earnings from operation .....	\$16,912 38	
Less operating expenses .....	7,899 57	
Total income .....		\$9,012 81
Deductions from income:		
Interest on proportionate indebtedness* .....	\$6,500 00	
Taxes .....	1,654 87	
Total deductions from income .....		8,154 87
Net income .....		\$857 94

\* Proportion of whole interest charge of the firm's indebtedness in Del Norte County.

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger earnings .....	\$1,148 00
Freight earnings .....	15,764 38
Total gross earnings from operation .....	\$16,912 38

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$1,125 15
Renewals of ties .....	600 00
Repairs and renewals of bridges and culverts .....	100 00
Repairs and renewals of fences, road crossings, signs, and cattle guards .....	100 00
Other expenses .....	89 35
Total .....	\$2,014 50
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$500 00
Repairs and renewals of freight cars .....	226 18
Total .....	\$726 18
Conducting transportation:	
Engine and roundhouse men .....	1,550 00
Fuel for locomotives .....	408 32
Oil, tallow, and waste for locomotives .....	124 00
Other supplies for locomotives .....	130 12
Train service .....	1,702 13
Train supplies and expenses .....	402 72
Station service .....	210 00
Station supplies .....	31 60
Total .....	\$4,558 89
General expenses:	
Salaries of clerks and attendants .....	\$600 00
Recapitulation of expenses:	
Maintenance of way and structures .....	\$2,014 50
Maintenance of equipment .....	726 18
Conducting transportation .....	4,558 89
General expenses .....	600 00
Grand total .....	\$7,899 57
Percentage of operating expenses to earnings .....	46.75

## TRAIN OPERATING EXPENSE ACCOUNT—JULY 1, 1895, to JUNE 30, 1896.

<i>Disbursements.</i>			
Oils, etc.	209 gals.	\$84 00	
Tallow	2,818 lbs.	161 37	
Rope		41 35	
Fuel	883 ricks wood.	408 32	
Engine supplies and repairs		670 12	
Car supplies and repairs		426 18	
Track supplies		89 35	
Taxes		1,654 87	
Interest		6,500 00	
Office expense and salary		631 60	
Agent's salary, Smith River		210 00	
Train crew	1,378 days.	3,252 13	
Track crew	1,476 days.	1,925 15	
			\$16,054 44
<i>Gross Earnings.</i>			
Passengers	1,956	\$1,015 50	
Ten-fare tickets	80	132 50	
General freight	2,547,000 lbs.	2,393 05	
Shingles	205 M.	47 35	
Shakes	215 M.	122 50	
Lumber and timber	286 M.	451 48	
C. C. mill logs	4,824 M.	4,824 00	
H. W. & C. logs	7,926 M.	7,926 00	
			16,912 38
Gain in operating			\$857 94

## EMPLOYÉS AND SALARIES.

None of the employés are on salary. All on day work, paid only when operating.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue	2,756 00	
Total passenger revenue		\$1,148 00
Freight traffic:		
Total freight earnings		15,764 38

No record of details. In consequence of the limited business offering by outside traffic during time of suspension of logging operations, no daily or regular passenger train was operated from January 1 to June 30, 1896.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road.
Products of forest:	
Lumber, timber, shakes, etc.	716,000 ft.
Logs	12,750,000 ft.
Merchandise and general freight	1,273 tons.

Of all the freight traffic, about 150 tons was the firm's, being supplies for their logging camps and employés. Of the logs carried, 7,926,000 belonged to the firm. Balance of traffic from other sources.

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives in service:	
Freight .....	2
Cars in passenger service:	
Combination cars .....	1
Cars in freight service:	
Box cars .....	2
Stock cars .....	4
Other cars .....	69
Total .....	75
Cars in company's service:	
Road cars .....	1
Total cars owned and in service .....	77

Locomotives are equipped with steam train brakes, and cars with hand brakes.

## MILEAGE OF ROAD OPERATED.

Line of proprietary companies: Single track, 16.35 miles; yard track and sidings, 1.60 miles; total, 17.95 miles.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives consumed 600 cords of soft wood; average cost at distributing point, 68 cents per cord. No record of miles run.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Alignment.			Profile.	
		Number of Curves.	Aggregate Length of Curved Line—Miles.	Length of Straight Line—Miles.	Length of Level Line—Miles.	
Crescent City to Smith River .....	13.75	16	1.50	12.25	4.00	
Junction to Fort Dick .....	2.60	5	.50	2.10	1.00	
Totals .....	16.35	21	2.00	14.35	5.00	

Working Divisions or Branches.	Profile.					
	Number of Ascending Grades.	Sum of Ascending Grades—Feet.	Aggregate Length of Ascending Grades—Miles.	Number of Descending Grades.	Sum of Descending Grades—Feet.	Aggregate Length of Descending Grades—Miles.
Crescent City to Smith River .....	16	290	4.85	16	232	4.90
Junction to Fort Dick .....				5	66	1.60
Totals .....	16	290	4.85	21	298	6.50

## BRIDGES, TRETTLES, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges: Combination .....	2	800 feet.	70 feet.	730 feet
Trestles .....	14	2,280 feet.	10 feet.	1,020 feet

Gauge of track, 4 feet 8½ inches; length, 16.35 miles.

## TELEPHONE.

Hobbs, Wall & Co. own and operate 17 miles of private telephone.

STATE OF CALIFORNIA, }  
County of Del Norte. } ss.

I, the undersigned, General Manager of the Crescent City & Smith River Railroad, on my oath, do say that the foregoing return has been prepared, under my direction, from the original books, papers, and records of said railroad; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said railroad in respect to each and every matter and thing therein set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said railroad during the period for which said return is made.

J. MARHOFFER,  
Manager.

Subscribed and sworn to before me, this 14th day of July, 1896.

L. F. COOPER,  
Notary Public in and for Del Norte County, Cal.

## SANTA ANA &amp; NEWPORT RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: Santa Ana & Newport Railway Company.
2. Date of organization: November 7, 1892.
3. Under laws of what Government, State, or Territory organized: State of California.

## ORGANIZATION.

Names of Directors: James McFadden, Robert McFadden, W. H. Spurgeon, M. M. Crookshank, E. M. Smiley; all of Santa Ana, Cal.

Date of expiration of terms of Directors: January 16, 1897.

Number of stockholders at date of last election: 7.

Last meeting of stockholders for election of Directors: January 20, 1896.

Post Office address of general and operating offices: Santa Ana, California.

Name and address of officer to whom correspondence regarding this report should be addressed: E. M. Smiley, Secretary and Auditor, Santa Ana, California.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President ..	James McFadden .....	Santa Ana, Cal.
Vice-President .....	Robert McFadden .....	Santa Ana, Cal.
Secretary .....	E. M. Smiley .....	Santa Ana, Cal.
Treasurer .....	Frank Chilton .....	Santa Ana, Cal.
Attorney, or General Counsel .....	Jas. G. Scarborough .....	Los Angeles.
Auditor .....	E. M. Smiley .....	Santa Ana, Cal.
General Manager .....	James McFadden .....	Santa Ana, Cal.
General Freight Agent .....	A. J. Crookshank .....	Los Angeles.
General Passenger Agent .....	Robert McFadden .....	Santa Ana, Cal.

## PROPERTY OPERATED.

This company operates the Santa Ana & Newport Railway, from Santa Ana to Newport, a distance of 12.10 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$500,000, divided into 5,000 shares of a par value of \$100 each. Total amount issued and outstanding, \$20,000. No dividends were declared during the year.

Manner of payment for capital stock: Issued for cash, 200 shares; total cash realized, \$20,000.

## FUNDED DEBT.

January 1, 1893, first mortgage bonds to the amount of \$250,000 were authorized to be issued, were issued, and that amount of cash realized on the issue. The entire amount is outstanding. The bonds mature on January 1, 1913, and bear 6 per cent interest, payable semi-annually. Interest accrued during year, \$15,000, all of which was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Accrued During Year.	Interest Paid During Year.
Mortgage bonds.....	\$250,000 00	\$250,000 00	\$15,000 00	\$15,000 00

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash .....	\$92 79	Loans and bills payable .....	\$1,994 26
Due from solvent companies and individuals.....	23,000 00	Wages and salaries .....	902 50
Net traffic balances due from other companies.....	527 00	Rents due July 1.....	362 50
Other cash assets .....	1,077 84	Total current liabilities.....	\$3,259 26
Total .....	\$24,697 63	Balance—cash assets .....	21,438 37
		Total .....	\$24,697 63

Materials and supplies on hand, \$188 63.

## RECAPITULATION.

*For Mileage Owned by Road Making this Report.*

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock .....	\$20,000 00	\$20,000 00	12.10	\$1,652 90
Bonds .....	250,000 00	250,000 00		20,661 15
Totals.....	\$270,000 00	\$270,000 00	12.10	\$22,314 05

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

We purchased the road and equipments complete for \$262,000, and have since the time of purchase added \$21,617 98 to the investment.

## INCOME ACCOUNT.

Gross earnings from operation.....	\$62,444 43	
Less operating expenses.....	37,664 88	
Total income.....		\$24,779 55
Deductions from income:		
Interest on funded debt accrued.....	\$15,000 00	
Taxes.....	675 31	
Total deductions from income.....		15,675 31
Surplus from operations of year ending June 30, 1896.....		\$9,104 24
Surplus on June 30, 1895.....		\$26,140 74
Additions for year.....		9,104 24
Surplus on June 30, 1896.....		\$35,244 98

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions.	Actual Earnings.
Passenger earnings.....			\$2,731 17
Freight revenue.....	\$36,078 55		
Less overcharge to shippers.....		\$856 87	
Other repayments.....		564 45	
Total deductions.....		\$1,421 32	
Total freight earnings.....			34,657 23
Total passenger and freight earnings.....			\$37,388 40
Other earnings from operation:			
Switch charges—balance.....	\$14 00		
Company's telephone line.....	20 35		
Other sources—handling freight from cars to vessel and from vessel to cars.....	25,021 68		
Total other earnings.....			25,056 03
Total gross earnings from operation.....			\$62,444 43

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway.....	\$2,505 96
Renewals of rails.....	79 88
Renewals of ties.....	22 60
Repairs and renewals of bridges, culverts, docks, and wharves.....	4,516 56
Repairs and renewals of buildings and fixtures.....	4 80
Repairs and renewals of telephone line.....	2 50
Other expenses.....	1,155 25
Total.....	\$8,287 55
Maintenance of equipment:	
Repairs and renewals of locomotives.....	\$3,228 21
Repairs and renewals of passenger cars.....	116 04
Repairs and renewals of freight cars.....	189 93
Repairs and renewals of shop machinery and tools.....	170 52
Total.....	\$3,704 70
Conducting transportation:	
Engine and roundhouse men.....	\$3,798 55
Fuel for locomotives.....	4,229 61
Water supply for locomotives.....	42 00
Oil, tallow, and waste for locomotives.....	176 02
Train service.....	1,200 00
Train supplies and expenses.....	63 75
Switchmen, flagmen, and watchmen.....	734 20
Station service.....	9,543 03
Station supplies.....	73 15
Car mileage—balance (rental).....	921 40
Loss and damage.....	72 96
Outside agencies.....	600 00
Stationery and printing.....	245 21
Total.....	\$21,699 88
General expenses:	
Salaries of general officers.....	\$2,562 50
Salaries of clerks and attendants.....	720 00
General office expenses and supplies.....	147 80
Law expenses.....	480 00
Stationery and printing (general offices).....	62 45
Total.....	\$3,972 75
Recapitulation of expenses:	
Maintenance of way and structures.....	\$8,287 55
Maintenance of equipment.....	3,704 70
Conducting transportation.....	21,699 88
General expenses.....	3,972 75
Grand total.....	*\$37,664 88
Percentage of operating expenses to earnings.....	52.00
*Account handling freight from vessel to car and from car to vessel.....	\$12,681 60
*Account line expenses.....	24,983 28
Total.....	\$37,664 88



## FREIGHT TRAFFIC MOVEMENT—Continued.

Commodity.	Originating on this Road—Tons.	Received from Con- necting Car- riers—Tons.	Total Freight Tonnage.	Per Cent.
<b>Manufactures:</b>				
Petroleum and other oils .....		9	9	.01
Sugar .....		377	377	.61
Iron, pig and bloom .....		11	11	.02
Iron and steel rails .....		87	87	.13
Other castings and machinery .....		22	22	.03
Bar and sheet metal .....		39	39	.06
Cement, brick, and lime .....		63	63	.09
Agricultural implements .....		14	14	.02
Wagons, carriages, tools, etc. ....		8	8	.01
Wines, liquors, and beers .....		173	173	.27
Household goods and furniture .....	9	57	66	.10
Grain bags .....		202	202	.32
Merchandise .....	63	221	284	.45
Miscellaneous: Other commodities not mentioned above .....	127	667	294	1.27
<b>Total tonnage.....</b>	<b>3,164</b>	<b>59,356</b>	<b>62,520</b>	<b>100.00</b>

## DESCRIPTION OF EQUIPMENT.

Item.	Number Added During Year.	Number at End of Year.	With Train Brake.	Name of Brake.
<b>Total locomotives in service .....</b>		3	2	Westinghouse.
<b>Cars in passenger service:</b>				
First-class cars .....	2	2	2	Vacuum.
Second-class cars .....		1	1	Vacuum.
Combination cars .....	1	2	2	Vacuum.
<b>Total.....</b>	<b>3</b>	<b>5</b>	<b>5</b>	
<b>Cars in freight service:</b>				
Box cars .....		2	2	Westinghouse.
Flat cars .....		10	7	Westinghouse.
<b>Total .....</b>		<b>12</b>	<b>9</b>	
<b>Cars in company's service:</b>				
Gravel cars .....		6		
<b>Total cars owned and in service .....</b>		<b>23</b>		

## MILEAGE OF ROAD OWNED AND OPERATED.

Line in Use.	Mileage Operated.	Steel Ralls.
Miles of single track .....	12.10	12.10
Miles of yard track and sidings .....	1.55	1.55
<b>Total mileage operated (all tracks).....</b>	<b>13.65</b>	<b>13.65</b>

All road owned and operated is in California.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives consumed 367 tons of bituminous coal and 1,750 bbls. oil. Average cost at distributing point: Coal, \$8 per ton; oil, 75 cents per bbl. Miles run and average pounds consumed per mile—don't know.

# REPORT OF ALAMEDA AND SAN JOAQUIN RAILROAD COMPANY. 303

## CHARACTERISTICS OF ROAD.

Santa Ana to Newport: Length of line, 12.10 miles; number of curves, 9; aggregate length of curved line, 1.60 miles; length of straight line, 10.50 miles; length of level line, 1.60 miles; number of ascending grades, 4; sum of ascending grades, 82 feet; aggregate length of ascending grades, 4.75 miles; number of descending grades, 3; sum of descending grades, 191; aggregate length of descending grades, 5.75 miles.

Gauge of track, 4 feet 8½ inches.

Bridges: Wooden, 3; aggregate length, 700 feet; minimum length, 40 feet; maximum length, 600 feet.

Telephone: 11 miles, owned and operated by this company.

STATE OF CALIFORNIA, }  
County of Orange. } ss.

We, the undersigned, James McFadden, President, and E. M. Smiley, Secretary, of the Santa Ana & Newport Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JAMES MCFADDEN,  
President.

E. M. SMILEY,  
Secretary.

Subscribed and sworn to before me, this 19th day of September, 1896.

H. T. MATTHEWS,  
Notary Public in and for said Orange County, State of California.

## ALAMEDA & SAN JOAQUIN RAILROAD COMPANY.

[For the year ending March 31, 1896.]

### HISTORY.

1. Name of common carrier making this report: Alameda & San Joaquin Railroad Company.
2. Date of organization: May 1, 1895.
3. Under laws of what Government, State, or Territory organized: Under the laws of the State of California.
4. If a consolidated company, name the constituent companies: Not consolidated.
6. If a reorganized company, give name of original corporation, and refer to laws under which it was organized: Not reorganized.

### ORGANIZATION.

Names of Directors.	Post Office Address.
R. D. Fry .....	328 Montgomery Street, San Francisco.
H. A. Williams .....	116 California Street, San Francisco.
J. Dalzell Brown .....	California and Montgomery Streets, San Francisco.
Jno. Treadwell .....	328 Montgomery Street, San Francisco.
B. M. Bradford .....	328 Montgomery Street, San Francisco.

Date of expiration of terms of Directors: March 10, 1897.

Total number of stockholders at date of last election: 6.

Date of last meeting of stockholders for election of Directors: March 10, 1896.

Post Office address of general and operating offices: 328 Montgomery Street, San Francisco.

Name and address of officer to whom correspondence regarding this report should be addressed: Jno. Treadwell, General Manager, 328 Montgomery Street, San Francisco.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President	R. D. Fry	328 Montgomery St., San Francisco.
Vice-President	H. A. Williams	116 California St., San Francisco.
Secretary	B. M. Bradford	328 Montgomery St., San Francisco.
Treasurer	J. Dalzell Brown	California and Montgomery Streets, San Francisco.
Attorney, or General Counsel	Gunnison, Booth & Barnett	328 Montgomery St., San Francisco.
General Manager	Jno. Treadwell	328 Montgomery St., San Francisco.
Chief Engineer	George A. Atherton	Stockton, Cal.
General Agent	H. E. Barber	Stockton, Cal.
Superintendent of Construction	Hugh Foy	Stockton, Cal.

## PROPERTY OPERATED.

Alameda & San Joaquin Railroad is operated from Stockton to Corral Hollow, a distance of 36 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$500,000, divided into 5,000 shares of a par value of \$100 each. Total amount issued and outstanding, \$500,000. No dividends were declared during the year.

Manner of payment for capital stock: Issued for cash, 5,000 shares; cash realized, \$500,000. All shares are outstanding. Total cash realized, \$500,000.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including March 31, 1896.	
Cash	\$31,684 41	Wages and salaries (estimated)	\$7,000 00
Bills receivable	50,000 00	Miscellaneous	5,000 00
Total cash and current assets	\$81,684 41		
Balance—current liabilities	12,000 00		
Total	\$69,684 41	Total	\$12,000 00

Materials and supplies on hand, \$20,000.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Amount Outstanding.	Apportionment to Railroads.	Miles.	Amount per Mile of Line.
Capital stock	\$500,000 00	\$500,000 00	36	\$13,888 89
Current liabilities	12,000 00	12,000 00	—	—
Totals	\$512,000 00	\$512,000 00	36	—

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Current Liabilities.	Total.	Miles.	Amount per Mile of Line.
Alameda & San Joaquin Railroad	\$500,000 00	\$12,000 00	\$512,000 00	36	\$13,888 89

# REPORT OF ALAMEDA AND SAN JOAQUIN RAILROAD COMPANY. 305

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.
Construction:	
Right of way .....	\$31,797 17
Other real estate .....	25,000 00
Fences, grading, and bridge and culvert masonry, and bridges and trestles .....	164,156 18
Rails .....	137,079 86
Ties .....	23,804 79
Interest during construction .....	224 08
Other items .....	4,411 96
Total construction .....	\$386,474 02
Equipment:	
Freight cars .....	29,979 62
Other cars of all classes .....	840 00
Floating equipment (steam shovel, etc.) .....	998 49
Rail-bender .....	118 75
Total equipment .....	\$31,936 86
Total cost construction, equipment, etc. ....	\$418,410 88

Item of land owned by this company is included in cost of road, as same is used for terminal facilities.

## COMPARATIVE GENERAL BALANCE SHEET.

Assets.	March 31, 1896.	Liabilities.	March 31, 1896.
Cost of road .....	\$386,474 02	Capital stock .....	\$500,000 00
Cost of equipment .....	31,936 86	Profit and loss .....	95 29
Cash and current assets .....	81,684 41		
Total .....	\$500,095 29	Total .....	\$500,095 29

## EMPLOYÉS AND SALARIES.

Salaries of all employés during construction are charged to construction account; these include only Superintendent of Construction, Chief Engineer, and Agent and Secretary.

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives: Leased and in service .....	1
Cars in freight service:	
Flat cars .....	40
Coal cars .....	6
Other cars in freight service .....	20
Total cars in service .....	66
Less cars leased .....	20
Total cars owned .....	46

The company also has 14 coal cars, which are fully paid for, now on the road from Chicago, and 2 locomotives are also about ready for shipment.

## MILEAGE OF ROAD OWNED AND OPERATED.

Miles of single track (main line), 36.10; steel rails, 36.10 miles. All built during the year, and all in California.

## CONSUMPTION OF FUEL BY LOCOMOTIVE.

Consumption of fuel on locomotive has not been segregated from that used on stationary engine and steam shovel. Whole amount consumed (bituminous coal), 640 tons.

## ACCIDENTS TO PERSONS.

Conductor of construction train had his leg badly injured by getting it under the pilot of engine.

## CHARACTERISTICS OF ROAD.

The road is not yet laid out into working divisions. The first 25 miles of road is practically level; the balance is from 15 to 68 feet to the mile ascending grade. The maximum grade of road is 68 feet to the mile.

Length of line, 36.10 miles.

Bridges: Steel, 1; length, 360 feet.

Trestles: 1, 30 feet long.

Gauge of track: 4 feet 8½ inches.

## CAR MILEAGE.

This company pays mileage for the use of cars to the Southern Pacific Company.

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, R. D. Fry, President, and J. Dalzell Brown, Treasurer, of the Alameda & San Joaquin Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

R. D. FRY,  
President.  
J. DALZELL BROWN,  
Treasurer.

Subscribed and sworn to before me, this 19th day of May, 1896.

O. A. EGGERS,  
Notary Public in and for the City and County of San Francisco, State of California.

## ARCATA &amp; MAD RIVER RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Arcata & Mad River Railroad Company.
2. Date of organization: December 29, 1891.
3. Under laws of what Government, State, or Territory organized: State of California.

## ORGANIZATION.

Names of Directors: F. Korbel, A. Korbel, J. Korbel, Anna Korbel, Theresa Korbel, all of San Francisco.

Date of expiration of terms of Directors: January, 1897.

Number of stockholders at date of last election: 5.

Last meeting of stockholders for election of Directors: January 4th.

Post Office address of general office: San Francisco.

Post Office address of operating office: Arcata, Cal.

Name and address of officer to whom correspondence regarding this report should be addressed: V. Zaruba, Agent, Arcata, California.

## OFFICERS.

Title.	Name.	Location of Office.
President .....	F. Korbel .....	San Francisco.
Secretary .....	J. Korbel .....	San Francisco.
Treasurer .....	A. Korbel .....	San Francisco.
Attorney, or General Counsel .....	S. M. Buck .....	Eureka.
General Superintendent .....	V. Zaruba .....	Arcata.
Assistant General Superintendent .....	J. F. Korbel .....	Arcata.
Assistant General Passenger Agent .....	W. H. Ogilwy .....	Arcata.
Assistant General Ticket Agent .....	M. F. Wagner .....	Arcata.

## PROPERTY OPERATED.

Name.	Terminals.	Miles.
Arcata & Mad River Railroad .....	Arcata Wharf to Korbel .....	14
	Korbel to Mad River .....	4.5

## CAPITAL STOCK.

The total par value of authorized capital stock is \$300,000, divided into 15,000 shares, at \$20 per share. The total amount issued and outstanding is \$187,740. Dividends declared during year, \$7,028 10.

Manner of payment for capital stock: Number of shares issued for cash, 9,387; cash realized on amount issued, \$187,740; cash realized on amount issued during the year, \$7,028 10.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Cash, June 30, 1896 .....	\$213 14	Loans and bills payable .....	\$6 48
Bills receivable .....	6,063 89	Wages and salaries .....	540 34
		Total current liabilities .....	\$546 82
		Balance—cash assets .....	5,730 21
Total .....	\$6,277 03	Total .....	\$6,277 03

## RECAPITULATION.

*A. For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Miles.
Capital stock .....	\$187,740 00	18.50

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Current Liabilities.
Arcata & Mad River Railroad .....	\$187,740 00	\$545 82

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Permanent Improvements During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Construction:			
Right of way (roadbed) .....		\$135,358 29	\$142,850 38
Other real estate .....		18,625 00	17,877 10
Grading, and bridge and culvert masonry.	\$4,222 92		
Rails .....	1,494 85		
Ties .....	911 60		
Buildings, furniture, and fixtures .....		330 00	300 00
Shop machinery and tools .....		2,119 03	1,684 74
Telephone line .....		186 68	289 88
Other items .....		2,025 00	1,948 14
Total construction .....	\$6,629 37	\$158,644 00	\$164,950 24
Equipment:			
Sleeping, parlor, and dining cars .....		\$ 38,508 85	\$36,476 87
Floating equipment .....		3,050 00	2,900 00
Total equipment .....		\$41,558 85	\$39,376 87
Total cost construction, equipment, etc.	\$6,629 37	\$200,202 85	\$204,327 11

## INCOME ACCOUNT.

Gross earnings from operation .....	\$59,971 52	
Less operating expenses .....	60,505 60	
Deficit .....	\$584 08	
Miscellaneous income—less expenses .....	16,193 00	
Total income .....		\$76,164 52
Deductions from income:		
Taxes .....	\$2,003 45	
Permanent improvements .....	6,629 37	
Total deductions from income .....		69,138 42
Net income .....		\$7,026 10

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue.....	\$12,502 75		
Less repayments (tickets redeemed) .....		\$11 85	
Total passenger revenue .....			\$12,490 90
Mail .....	1,602 04	\$240 00	1,362 04
Express .....	144 00		144 00
Total passenger earnings.....			\$13,996 94
Freight revenue .....	38,073 86	96 77	\$37,977 09
	14,620 74	6,823 25	7,997 49
Total deductions .....		\$6,720 02	
Total freight earnings.....			\$45,974 58
Total gross earnings from operation.....			\$59,971 52

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway, and renewals of rails and ties.....	\$17,915 16
Repairs and renewals of bridges and culverts.....	606 92
Repairs and renewals of fences, road crossings, signs, and cattle guards.....	363 83
Repairs and renewals of docks and wharves.....	2,104 45
Repairs and renewals of telephone.....	88 59
Total .....	\$21,078 75
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$631 98
Repairs and renewals of passenger, freight, and work cars.....	1,628 87
Repairs and renewals of marine equipment .....	1,463 49
Repairs and renewals of shop machinery and tools.....	258 46
Total .....	\$3,982 80
Conducting transportation:	
Engine and roundhouse men .....	\$4,110 65
Fuel for locomotives.....	2,164 50
Water supply for locomotives.....	48 00
Oil, tallow, and waste for locomotives.....	203 47
Train service.....	1,693 80
Station service.....	660 00
Station supplies.....	91 90
Loss and damage .....	61 44
Operating marine equipment .....	4,781 85
Advertising .....	204 75
Stationery and printing.....	60 42
Other expenses.....	1,100 77
Total .....	\$15,181 55
General expenses:	
Salaries of general officers .....	\$15,000 00
Salaries of clerks and attendants .....	4,800 00
Insurance .....	212 50
Law expenses .....	250 00
Total .....	\$20,262 50
Recapitulation of expenses:	
Maintenance of way and structures.....	\$21,078 75
Maintenance of equipment .....	3,982 80
Conducting transportation.....	15,181 55
General expenses .....	20,262 50
Grand total .....	\$60,505 60



## MISCELLANEOUS INCOME.

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Waterworks .....	\$641 95	\$387 41	\$254 54
Interest .....	1,038 22	21 75	1,016 47
Commission .....	184 87	96 05	88 82
Wharf crew, labor, and yard .....	6,586 97	3,609 21	2,977 76
Row piling, and dockage .....	5,366 17	-----	5,366 17
Rent of buildings, land and wharf .....	6,489 24	-----	6,489 24
Totals .....	\$20,307 42	\$4,114 42	\$16,193 00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.
\$135,358 29	Cost of road .....	\$142,850 38
41,558 95	Cost of equipment .....	39,376 87
2,025 00	Other permanent investments .....	6,629 37
18,955 00	Lands owned .....	1,948 14
210 07	Cash and current assets .....	18,177 10
4,725 84	Other assets .....	213 14
\$202,833 15	Totals .....	\$212,820 54

Increase of assets for the year ending June 30, 1896, \$9,987 39.

## IMPORTANT CHANGES DURING THE YEAR.

On main line, changed the track 2,000 feet from the river, on account of washouts in two places.

On the branch road to Mad River, extended 1¼ miles; changed the track in three places, about 1,200 feet, on account of washouts.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Yearly Compensation.	Average Daily Compensation.
General officers .....	5	\$15,000 00	\$41 10
General office clerks .....	3	2,700 00	7 34
Station agents .....	1	660 00	1 83
Other station men .....	1	2,100 00	5 75
Enginemen .....	3	2,370 00	7 83
Firemen .....	3	1,800 00	6 00
Conductors .....	1	960 00	2 66
Other trainmen .....	1	720 00	2 00
Carpenters .....	2	2,380 56	6 63
Section foremen .....	3	2,520 00	8 07
Other trackmen .....	11	7,722 00	24 75
Switchmen, flagmen, watchmen, and wharf foreman .....	1	960 00	3 08
Employés—account floating equipment (steamer Alta) .....	4	3,420 00	9 48
All other employés and laborers (wharf crew) .....	4	2,649 21	8 48
Total (including general officers) .....	43	\$45,961 77	\$135 00
Less general officers .....	5	15,000 00	41 10
Total (excluding general officers) .....	38	\$30,961 77	\$93 90
Distribution of above:			
General administration .....	~10	\$20,480 00	56 02
Maintenance of way and structures .....	14	10,242 00	32 82
Maintenance of equipment .....	2	2,380 56	6 63
Conducting transportation .....	17	12,879 21	39 53
Total (including general officers) .....	43	\$45,961 77	\$135 00
Less general officers .....	5	15,000 00	41 10
Total (excluding general officers) .....	38	\$30,961 77	\$93 90

## CONTRACTS, AGREEMENTS, ETC.

Agreement to carry express from Eureka to Arcata and Korbel.  
 To carry mail from Eureka to Arcata Wharf, six times a week, twice daily.  
 From Arcata Wharf to Korbel, six times a week, twice daily.  
 Agreement to haul lumber from mills, unload it, pile it, and store it on the wharf,  
 with mills Glendale, Warren Creek, and Riverside, and with the Humboldt Lumber  
 Mill Co.  
 Shingle Mills: B. Vaissade and Humboldt Manufacturing Co.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue .....	24,752	
Total passenger revenue .....		\$12,490 90
Total passenger earnings .....		13,996 94
Freight traffic:		
Number of tons carried of freight earning revenue .....	6,475.45	
Total freight revenue .....		45,974 58
Passenger and freight earnings .....		59,971 52
Train mileage: Miles run by mixed trains .....	24,752	
Average number of loaded cars in train .....	14	
Average number of empty cars in train .....	14	
Average number of tons of freight in train .....	50	
Average number of tons of freight in each loaded car .....	4	

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Commodity.	Originating on this Road—Tons.	Received from Connecting Roads—Tons.	Total Freight Tonnage.	Per Cent.
Products of agriculture:				
Grain .....		690 $\frac{1}{2}$	690 $\frac{1}{2}$	10 $\frac{3}{4}$ —
Flour .....		528	528	8 +
Potatoes .....	61 $\frac{1}{2}$		61 $\frac{1}{2}$	1 —
Peas .....	198 $\frac{1}{2}$		198 $\frac{1}{2}$	3 +
Products of animals:				
Wool .....	56 $\frac{3}{4}$		56 $\frac{3}{4}$	5 +
Hides and leather .....	112 $\frac{7}{8}$		112 $\frac{7}{8}$	1 $\frac{3}{4}$ +
Butter .....	27 $\frac{1}{4}$		27 $\frac{1}{4}$	3 +
Products of forest:				
Bark .....	416 $\frac{1}{2}$ cords.			
Bolts .....	354 cords.			
Lumber .....	19,967,602 feet.			
Shingles .....	47,237,917.			
Shakes .....	3,018,800.			
Manufactures:				
Petroleum and other oils .....		107 $\frac{1}{2}$	107 $\frac{1}{2}$	1 $\frac{3}{4}$ —
Wagons, carriages, tools, etc. ....		146 $\frac{1}{2}$	146 $\frac{1}{2}$	2 $\frac{1}{4}$ +
Merchandise .....	1,204 $\frac{1}{2}$	3,342 $\frac{1}{2}$	4,546 $\frac{1}{2}$	70 $\frac{1}{4}$ —
Total tonnage .....	1,660 $\frac{3}{4}$	4,814 $\frac{1}{2}$	6,475 $\frac{3}{4}$	99 $\frac{3}{4}$ +

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.	With Train Brake.	Name of Brake.
Locomotives:			
Passenger .....	1	1	Steam.
Freight .....	3	3	
Total locomotives in service .....	4	4	
Cars in passenger service:			
Second-class cars .....	3	3	Hand.
Combination cars .....	1	1	Hand.
Total .....	4	4	
Cars in freight service:			
Box cars .....	4	4	Hand.
Flat cars .....	160	16	Hand.
Total .....	164	20	
Cars in company's service:			
Other road cars .....	22	22	Hand.
Total .....	22	22	
Total cars owned and in service .....	190	46	

## MILEAGE.

## A. Mileage of Road Operated—All Tracks.

Line in Use.	Main Line.	Branches and Spurs.	Line Operated under Trackage Rights.	Iron Rails.	Steel Rails.
Miles of single track .....	14	4½	18½	1¾	16%
Miles of yard track and sidings .....	3¾	-----	3¾	3¾	-----
Total mileage operated .....	17¾	4½	22¾	5½	16%

## B. Mileage of Line Operated, by States and Territories—Single Track.

State.	Main Line.	Branches and Spurs.	Iron Rails.	Steel Rails.
California .....	14	7	5½	16%

## NEW TIES LAID DURING YEAR.

There were 5,079 redwood ties laid during the year; average price at distributing point, 21¾ cents.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

	Soft Wood —Cords.	Fuel Consumed —Tons.	Miles Run.	Average Lbs. Consumed per Mile.
All locomotives .....	666	333	24,752	26½
Steamer .....	614	307	7,506	81½
Totals .....	1,280	640	32,253	106½

Average cost at distributing point: Pine, \$3 25 per cord; redwood, \$1 75 per cord.

## ACCIDENTS.

Collision, March, 1896, between passenger train and E. & E. R. R. R. construction train. Accident happened on account of construction train not stopping for the passenger train.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Number of Curves.	Straight Line—Miles.
Arcata to Arcata Wharf .....	2	1	1¾
Arcata to Korbel .....	12	36	3
Korbel to Mad River .....	4½	18	2½
Eureka to Arcata Wharf .....	4½	-----	-----
Totals .....	23	55	7¾

Between Eureka and Arcata Wharf is a ferry-boat, carrying freight, express, and mail.

## BRIDGES, TREESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges:				
Wooden .....	1	140 feet.		
Combination .....	1	750 feet.		
Totals .....	2	890 feet.		
Trestles .....	21	17,230 feet.	10,560 feet.	24 feet.

Gauge of track: 3 feet 9¼ inches.

Telephone: Line 5 miles long.

STATE OF CALIFORNIA, }  
County of San Francisco, } ss.

I, the undersigned, Secretary of the Arcata & Mad River Railroad Company, on oath, do say that the foregoing return has been prepared, under my direction, from the original books, papers, and records of said company; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

JOSEPH KORBEL,  
Secretary.

Subscribed and sworn to before me, this 29th day of August, 1896.

A. J. HENRY,  
Notary Public in and for the City and County of San Francisco, State of California.

## COLUSA &amp; LAKE RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Colusa & Lake Railroad Company.
2. Date of organization: November 27, 1886.
3. Under laws of what Government, State, or Territory organized: State of California.
4. Names of constituent companies: Colusa Railroad Company, incorporated July 23, 1885; Colusa & Lake Railroad Company, incorporated June 8, 1886.
5. Date of consolidation: November 27, 1886.

## ORGANIZATION.

Names of Directors: W. P. Harrington, E. W. Jones, E. A. Harrington, Geo. Hagar, J. W. Goad, P. Peterson, John Sites, John Boggs, J. H. Roberts, all of Colusa.  
 Date of expiration of terms of Directors: First Monday in December, 1896.  
 Number of stockholders at date of last election: 88.  
 Last meeting of stockholders for election of Directors: December 2, 1895.  
 Post Office address of general and operating offices: Colusa.  
 Name and address of officer to whom correspondence regarding this report should be addressed: T. Harrington, Secretary, Colusa.

## OFFICERS.

Title.	Name.
President .....	W. P. Harrington.
Vice-President .....	E. W. Jones.
Secretary .....	T. Harrington.
Treasurer .....	Colusa County Bank.
General Superintendent .....	E. A. Harrington.

## PROPERTY OPERATED.

The Colusa & Lake Railroad Company operates a main line from Colusa to Sites, a distance of 22 miles.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$400,000, divided into 4,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$100,500. No dividends were declared during the year.

Manner of payment for capital stock: Issued for cash, 1,005 shares; amount realized, \$100,500.

## FUNDED DEBT.

April 1, 1887, bonds were authorized to be issued to the amount of \$70,000, to be secured by a deed of trust. Amount outstanding, \$68,000. Cash realized on amount issued, \$70,000. The bonds mature in 1907, and bear 6 per cent interest, payable semi-annually, on April 1st and October 1st. The amount of interest accruing during the year was \$3,960, which was paid.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.
Mortgage bonds.....	\$70,000 00	\$68,000 00

Interest accrued during year, \$3,960; interest paid during year, \$3,960.

## RECAPITULATION.

*A. For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Apportionm't to Railroads.	Miles.	Amount per Mile of Line.
Capital stock.....	\$100,500 00	\$100,500 00	22	\$4,568 36
Bonds.....	66,000 00	66,000 00		3,000 00
Totals .....	\$166,500 00	\$166,500 00	22	\$7,568 36

*B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operation of Which are Included in the Income Account.*

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.	Miles.
Colusa & Lake Railroad.....	\$100,500 00	\$66,000 00	\$4,454 15	\$176,954 15	22

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.
Construction .....		\$161,839 64	
Rails .....	\$383 44		
Total construction .....	\$383 44	\$161,839 64	\$162,223 08
Equipment .....		31,846 27	31,846 27
Total cost construction, eqipment, etc.....	\$383 44	\$193,685 91	\$190,069 35

## INCOME ACCOUNT.

Gross earnings from operation .....	\$13,608 37	
Less operating expenses.....	12,604 66	
Income from operation .....		\$1,003 71
Miscellaneous income—less expenses.....		418 00
Total income.....		\$1,421 71
Deductions from income:		
Interest on funded debt accrued .....	\$3,980 00	
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	91 02	
Taxes.....	751 52	
Total deductions from income .....		4,802 54
Deficit .....		\$3,380 83
Deficit from operations of year ending June 30, 1896 .....		\$3,380 83
Surplus on June 30, 1895.....		26,496 03
Surplus on June 30, 1896.....		\$23,115 20

## EARNINGS FROM OPERATION.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue .....	\$8,750 55		
Less tickets redeemed .....		\$2,807 75	
Total passenger revenue .....			\$5,942 80
Mail .....			889 64
Express .....			480 00
Total passenger earnings .....			\$7,362 44
Freight revenue .....	6,580 21		
Less overcharge to shippers .....		\$314 28	
Total freight earnings .....			6,254 93
Total gross earnings from operation .....			\$13,608 37

## MISCELLANEOUS INCOME.

Rents from buildings owned..... \$418 00

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$2,990 00
Renewals of rails .....	383 44
Total .....	\$3,373 44
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$486 77
Repairs and renewals of passenger cars .....	125 00
Repairs and renewals of freight cars .....	300 00
Repairs and renewals of shop machinery and tools .....	100 00
Total .....	\$1,011 77
Conducting transportation:	
Engine and roundhouse men .....	\$2,340 00
Fuel for locomotives .....	1,200 00
Water supply for locomotives .....	240 00
Oil, tallow, and waste for locomotives .....	350 00
Other supplies for locomotives .....	200 00
Train service .....	1,440 00
Station service .....	480 00
Rents of buildings and other property .....	50 00
Total .....	\$6,300 00
General expenses:	
Salaries of general officers .....	\$1,740 00
Law expenses .....	129 45
Other expenses .....	50 00
Total .....	\$1,919 45
Recapitulation of expenses:	
Maintenance of way and structures .....	\$3,373 44
Maintenance of equipment .....	1,011 77
Conducting transportation .....	6,300 00
General expenses .....	1,919 45
Grand total .....	\$12,604 66

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.
\$161,839 64	Cost of road.....	\$162,223 08
31,846 27	Cost of equipment.....	31,846 27
\$193,685 91	Totals.....	\$194,069 35
June 30, 1895.	Liabilities.	June 30, 1896.
\$100,500 00	Capital stock.....	\$100,500 00
68,000 00	Funded debt.....	68,000 00
689 88	Current liabilities.....	4,454 15
26,496 03	Profit and loss.....	23,115 20
\$193,685 91	Totals.....	\$194,069 35

## CONTRACTS, AGREEMENTS, ETC.

U. S. mails, \$939 64 per year.

Wells, Fargo &amp; Co.'s express, \$480 per year.

## SECURITY FOR FUNDED DEBT.

Class of Bond or Obligation.	What Road Mortgaged.	Miles.	Amount per Mile of Line.	What Equipment Mortgaged.
Bonds, secured by deed of trust ..	Colusa to Sites..	22	\$3,000 00	All.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers .....	4	720	\$1,740 00	\$2 41
Station agents .....	2	720	420 00	58
Other station men .....	1	360	60 00	16
Enginemen .....	2	720	1,620 00	2 25
Firemen .....	1	360	720 00	2 00
Conductors .....	1	360	780 00	2 18
Other trainmen .....	1	360	660 00	1 83
All other employés and laborers.....	10	2,600	2,990 00	1 15
Total (including general officers) ...	22	6,200	\$8,990 00	\$1 45
Less general officers.....	4	720	1,740 00	2 41
Total (excluding general officers) ...	18	5,480	\$7,250 00	\$1 32
Distribution of above:				
General administration .....	4	720	\$1,740 00	\$2 41
Maintenance of way and structures.	10	2,600	2,990 00	1 15
Conducting transportation.....	8	2,880	4,260 00	1 48
Total (including general officers) -	22	6,200	\$8,990 00	\$1 45
Less general officers.....	4	720	740 00	2 41
Total (excluding general officers) -	18	5,480	\$7,250 00	\$1 37

Two receive no compensation.



## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Item.	Tonnage, Passengers, Etc.	Revenue and Rates.
Passenger traffic:		
Number of passengers carried earning revenue.....	7,617	
Total passenger revenue.....		\$5,942 80
Average amount received from each passenger.....		78.02
Average receipts per passenger per mile.....		7.09
Passenger earnings per mile of road.....		334 65.63
Freight traffic:		
Number of tons carried of freight earning revenue.....	6,663	
Freight earnings.....		6,245 83
Freight earnings per mile of road.....		283 90
Passenger and freight:		
Passenger and freight revenue.....		12,188 73
Passenger and freight earnings.....		13,608 37
Passenger and freight earnings per mile of road.....		618 56.02
Gross earnings from operation.....		13,608 37
Gross earnings from operation per mile of road.....		618 56.02
Operating expenses.....		12,604 66
Operating expenses per mile of road.....		572 94
Income from operation.....		1,003 71
Income from operation per mile of road.....		45 62
Train mileage:		
Miles run by freight trains.....	1,800	
Miles run by mixed trains.....	19,300	
Total mileage trains earning revenue.....	21,100	

## FREIGHT TRAFFIC MOVEMENT.

Grain, 5,000 tons. Live stock, fruit, hay-wagons, merchandise-wagons, and agricultural implements.

## DESCRIPTION OF EQUIPMENT.

Item.	Added During Year.	Number at End of Year.
Locomotives:		
Passenger.....	2	2
Freight.....	1	1
Total locomotives in service.....	3	3
Cars in passenger service:		
First-class cars.....	2	2
Combination cars.....	1	1
Baggage, express, and postal cars.....	2	2
Totals.....	5	5
Cars in freight service:		
Box cars.....	4	4
Flat cars.....	20	20
Totals.....	24	24
Total cars owned and in service.....	29	29

One passenger locomotive is equipped with New York air-brake.

## RENEWALS OF RAILS AND TIES.

Nine tons of new rails were laid during the year. Weight per yard, 35 lbs.; average price per ton at distributing point, \$40.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

In running 21,100 miles, locomotives consumed 300 cords of hard wood, or 200 tons of fuel. Average pounds consumed per mile, 1.89; average cost at distributing point, \$4.

## BRIDGES, TRESTLES, TUNNELS, ETC.

Item.	No.	Aggregate Length.	Minimum Length.	Maximum Length.
Bridges: Wooden.....	2	160 feet.	80 feet.	80 feet.
Trestles .....	15	2,725 feet.	30 feet.	1,530 feet.

STATE OF CALIFORNIA, }  
County of Colusa. } ss.

We, the undersigned, W. P. Harrington, President, and T. Harrington, Secretary, of the Colusa & Lake Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

W. P. HARRINGTON,  
President.  
T. HARRINGTON,  
Treasurer.

Subscribed and sworn to before me, this 8th day of August, 1896.

J. W. GOAD,  
Notary Public in and for the County of Colusa, State of California.

## CALIFORNIA RAILWAY.

## HISTORY.

1. Name of common carrier making this report: California Railway.
2. Date of organization: August 18, 1890.
3. Under laws of what Government, State, or Territory organized: California.
6. Name of original corporation, California Railway Company; date of organization, February 5, 1890.

## ORGANIZATION.

Names of Directors.	Post Office Address.
Geo. H. Mastick.....	Pacific Avenue and Wood Street, Alameda.
A. H. Clough.....	1253 Twenty-third Avenue, Oakland.
W. M. Rank.....	1003½ Broadway, Oakland.
E. S. Denison.....	963 Eighth Street, Oakland.
W. H. Chickering.....	208 Sansome Street, San Francisco.

Date of expiration of terms of Directors: February 1, 1897.  
 Number of stockholders at date of last election: 12.  
 Last meeting of stockholders for election of Directors: February 25, 1896.  
 Post Office address of general and operating offices: No. 1003½ Broadway, Oakland, Cal.  
 Name and address of officer to whom correspondence regarding this report should be addressed: W. M. Rank, Secretary, 1003½ Broadway, Oakland.

For the better understanding of the workings of the California Railway, it should be understood that this railway is really a subsidiary company to the California Improvement Company, a corporation formed for the handling of rock at their quarries, situated at Laundry Farm, Alameda County, California. This may explain the inability to furnish some of the statistics demanded.

During the past year the system was changed from steam to electricity, new cars purchased, and 2 miles of new track laid. The road was placed in operation as an electric road on June 6, 1896.

## OFFICERS.

Title.	Name.
Chairman of the Board.....	W. M. Rank.
President.....	E. S. Denison.
Vice-President.....	A. H. Clough.
Secretary.....	W. M. Rank.
Treasurer.....	W. M. Rank.
General Solicitor and Attorney.....	W. H. Chickering.

Office of the company: 1003½ Broadway, Oakland, California.

The Secretary and Treasurer attends to the duties of all railroad officers not mentioned above.

## PROPERTY OPERATED.

California Railway is operated from Fruitvale to Leona, California, a distance of 6 miles.

## CAPITAL STOCK.

The capital stock of this company consists of 5,000 shares of a par value of \$100 each. On February 25, 1896, an assessment of \$5 per share was levied on the stock.

Manner of payment for capital stock: Issued for cash, 5,000 shares; total cash realized, \$160,595 99.

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1896.	
Bills receivable .....	\$8,075 00	Receiver's certificates .....	\$23,471 83
Due from solvent companies and individuals .....	59,676 67	Loans and bills payable.....	11,364 29
Other cash assets.....	2,001 30		
Total cash and current assets.	\$69,752 97		
Balance—current liabilities.....	34,836 17		
Total.....	\$34,916 80	Total .....	\$34,836 17

Materials and supplies on hand, \$425.

## RECAPITULATION.

*For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Apportion- ment to Other Properties.	Miles.	Amount per Mile of Line.
Current liabilities.....	\$34,836 17	\$34,836 17	6	\$5,806 03

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Construction or Equipment During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost per Mile.
Construction:				
Right of way .....		\$13,020 64	\$13,020 64	\$14,298 58
Other real estate .....		2,500 00	2,500 00	
Bridges and trestles .....		8,377 32	8,377 32	
Rails .....	\$2,400 00	4,772 98	7,172 98	
Ties .....	9 60	1,005 39	1,014 99	
Buildings, furniture, and fix- tures .....	178 60	3,142 55	3,321 15	
Shop machinery and tools .....	73 48	587 84	671 32	
Engineering expenses .....			1,114 75	
Telegraph line .....		437 50	437 50	
Sidings and yard extensions .....		178 01	178 01	
Terminal facilities and ele- vators .....		491 18	491 18	
Road built by contract .....	9,353 68		9,353 68	
Purchase of constructed road .....		19,275 10	19,275 10	
Other items .....	11,805 00	8,177 60	18,862 95	
Total construction .....	\$23,820 36	\$61,971 11	\$85,791 47	\$14,298 58
Equipment:				
Locomotives .....		\$15,798 91	\$15,798 91	\$7,357 85
Passenger cars .....	\$11,108 56	3,950 00	15,058 56	
Freight cars .....		8,685 83	8,685 83	
Other cars of all classes .....		4,607 81	4,607 81	
Total equipment .....	\$11,108 56	\$33,040 55	\$44,147 11	\$7,357 85
Total cost construction, equipment, etc. ....	\$34,928 92	\$95,011 66	\$129,938 58	\$21,656 43

Under the heading "Other Items" there was expended, during the year, \$11,805. This was for poles, trolley wire, etc., used in changing system from steam to electricity.

## INCOME ACCOUNT.

Gross earnings from operation .....	\$15,322 76	
Less operating expenses .....	19,464 31	
Deficit .....		\$4,141 55
Deductions from income: taxes .....		367 81
Deficit from operations of year ending June 30, 1896 .....		\$4,509 36
Surplus on June 30, 1895 .....		9,193 75
Surplus on June 30, 1896 .....		\$4,684 39

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger revenue .....	\$4,514 24
Mail .....	75 00
Total passenger earnings .....	\$4,589 24
Freight earnings .....	9,996 31
Total passenger and freight earnings .....	\$14,585 55
Other earnings .....	737 21
Total gross earnings from operation .....	\$15,322 76

## MISCELLANEOUS INCOME.

Item.	Net Miscellaneous Income.
Rental of portion of station building .....	\$50 00
Sale of rails and old scrap iron .....	657 86
Gravel sales .....	29 35
Total .....	\$737 21

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Repairs of roadway .....	\$2,150 72
Repairs and renewals of bridges and culverts .....	324 77
Repairs and renewals of buildings and fixtures .....	67 26
Total .....	\$2,542 75
Maintenance of equipment:	
Repairs and renewals of locomotives .....	\$1,911 76
Repairs and renewals of passenger cars .....	597 08
Repairs and renewals of freight cars .....	310 71
Repairs and renewals of shop machinery and tools .....	2 75
Total .....	\$2,822 30
Conducting transportation:	
Engine and roundhouse men .....	\$2,289 15
Fuel for locomotives .....	3,433 03
Other supplies for locomotives .....	125 00
Train service .....	1,647 25
Train supplies and expenses .....	12 40
Telegraph expenses .....	112 00
Station service .....	1,520 35
Hire of equipment .....	294 00
Advertising .....	1,647 30
Total .....	\$11,080 48
General expenses:	
Salaries of clerks and attendants .....	\$2,285 61
Law expenses .....	840 90
Stationery and printing (general offices) .....	89 40
Other expenses .....	303 57
Total .....	\$3,018 78
Recapitulation of expenses:	
Maintenance of way and structures .....	\$2,542 75
Maintenance of equipment .....	2,822 30
Conducting transportation .....	11,080 48
General expenses .....	3,018 78
Grand total .....	\$19,464 31

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.
\$61,971 11	Cost of road .....	\$85,791 47	} \$34,926 92
33,040 55	Cost of equipment .....	44,147 11	
53,724 46	Cash and current assets .....	69,752 97	
	Materials and supplies .....	425 00	
\$148,736 12	Totals .....	\$200,116 55	-----
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Increase.
\$136,845 99	Capital stock .....	\$160,595 99	\$23,750 00
2,696 38	Current liabilities .....	34,836 17	32,139 79
9,193 75	Profit and loss .....	4,684 39	
\$148,736 12	Totals .....	\$200,116 55	-----

## IMPORTANT CHANGES DURING THE YEAR.

During the year 1896 the road was extended through the Laundry Farm property. Total length of extension, 1 mile 4,680 feet.

## CONTRACTS, AGREEMENTS, ETC.

The only contract to which this company is a party is that with the California Improvement Company, a company duly authorized under the laws of this State, for the hauling of crushed rock from their quarries at Laundry Farm, Alameda County, California, to Fruitvale, Alameda County, California, a distance of 4 miles, at a fixed rate of \$6 per car of 20 tons each.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers .....	2	365	\$1,113 28	\$3 05
Other officers .....	1	365	932 33	2 55
General office clerks .....	1	365	240 00	66
Station agents .....	2	365	1,520 35	4 16
Enginemen .....	1	390	1,559 15	4 00
Firemen .....	1	365	730 00	2 00
Conductors .....	1	365	917 25	2 51
Other trainmen .....	1	365	730 00	2 00
Total (including general officers) .....			\$7,742 36	\$20 93
Less general officers .....			1,113 28	5 60
Total (excluding general officers) .....			\$6,629 08	\$15 33
Distribution of above:				
General administration .....			\$2,285 61	
Maintenance of way and structures, and equipment, and conducting transportation .....			5,466 75	
Total (including general officers) .....			\$7,742 36	
Less general officers .....			1,113 28	
Total (excluding general officers) .....			\$6,629 08	

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives owned and in service.....	2
Cars in passenger service .....	4
Cars in freight service—flat cars .....	16
Total cars owned.....	20

All rolling stock is equipped with the Westinghouse train brake.

## MILEAGE OF ROAD OPERATED.

Main line (single track), 6 miles; all steel rails. All trackage operated by this company is in California.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Tons of bituminous coal consumed, 490.

## BRIDGES, TREESTLES, TUNNELS, ETC.

Item.	Number.	Aggregate Length.	Minimum Length.	Maximum Length.
Trestles .....	3	850 feet.	50 feet.	400 feet.

Gauge of track: 4 feet 8½ inches; length, 6 miles.

STATE OF CALIFORNIA, }  
County of Alameda. } ss.

I, the undersigned, W. M. Rank, Secretary and Treasurer of the California Railway, on my oath, do say that the foregoing return has been prepared, under my direction, from the original books, papers, and records of said company; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

W. M. RANK,  
Treasurer.

Subscribed and sworn to before me, this 3d day of October, 1896.

E. W. WOODWARD,  
Notary Public in and for the County of Alameda, State of California.

## PAJARO VALLEY RAILROAD COMPANY.

## HISTORY.

1. Name of common carrier making this report: Pajaro Valley Railroad Company.
2. Date of organization: December 31, 1889.
3. Under laws of what Government, State, or Territory organized: California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
Claus Spreckels .....	San Francisco.
John D. Spreckels .....	San Francisco.
John L. Koster .....	San Francisco.
W. C. Waters .....	Watsonville.
Samuel Sussman .....	San Francisco.

Date of expiration of terms of Directors: January 21, 1897.  
 Number of stockholders at date of last election: 14.  
 Last meeting of stockholders for election of Directors: January 21, 1896.  
 Post Office address of general office: 327 Market Street, San Francisco.  
 Post Office address of operating office: Watsonville, California.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President .....	Claus Spreckels .....	327 Market St., San Francisco.
Vice-President .....	John D. Spreckels .....	327 Market St., San Francisco.
Secretary .....	E. H. Sheldon .....	327 Market St., San Francisco.
Treasurer .....	J. D. Spreckels & Bros. Co. ....	327 Market St., San Francisco.
General Superintendent .....	W. C. Waters .....	Watsonville.

## CAPITAL STOCK.

The total par value of authorized capital stock is \$1,000,000, divided into 10,000 shares of a par value of \$100 each. Total amount issued and outstanding, \$300,000. In 1894 a 5 per cent dividend was declared, amounting to \$15,000, and in 1896 a like dividend was declared, amounting to the same sum.

## CASH AND CURRENT ASSETS AVAILABLE FOR PAYMENT OF CURRENT LIABILITIES.

Cash ..... \$9,866 08

## RECAPITULATION.

*For Mileage Owned by Road Making this Report.*

Account.	Total Amount Outstanding.	Miles.	Amount per Mile of Line.
Capital stock .....	\$300,000	23.7	\$12,658 23



## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Item.	Permanent Improvements During Year.	Total Cost to June 30, 1895.	Total Cost to June 30, 1896.	Cost per Mile.
Construction:				
Right of way .....		\$98,264 99	\$98,264 99	\$3,639 87
Other real estate .....	\$798 50	19,743 27	20,539 77	866 66
Fences .....		9,941 86	9,941 86	419 49
Grading, and bridge and culvert masonry .....		13,839 41	13,839 41	583 94
Rails .....	7,031 25	94,063 59	101,064 84	4,265 60
Ties .....		20,083 24	20,083 24	847 39
Buildings, furniture, and fixtures .....	3,200 98	2,445 40	5,646 38	238 24
Telephone line .....	101 46	1,876 97	1,978 43	83 48
Sidings and yard extensions, portable track, terminal facilities, elevators, and fittings .....		5,669 30	5,669 30	239 20
Survey .....		1,732 30	1,732 30	73 09
Total construction .....	\$11,130 19	\$255,660 33	\$268,790 52	\$11,256 97
Equipment:				
Locomotives .....		\$19,666 11	\$19,666 11	\$829 79
Freight cars .....		44,747 71	44,747 71	1,888 09
Total equipment .....		\$64,413 82	\$64,413 82	\$2,717 88
Total cost construction, equipment, etc. ....	\$11,130 19	\$320,074 15	\$331,204 34	\$13,974 85

## INCOME ACCOUNT.

Gross earnings from operation .....		\$70,045 13	
Less operating expenses .....		51,610 34	
Income from operation .....			\$18,434 79
Miscellaneous income—less expenses .....			375 56
Total income .....			\$18,810 35
Deductions from income:			
Taxes .....		\$2,661 58	
Permanent improvements .....		11,130 19	
Total deductions from income .....			13,791 77
Net income .....			\$5,018 58
Dividends, 5 per cent, common stock	1894	\$15,000	
	1895	15,000	
Total .....			30,000 00
Deficit from operations of year ending June 30, 1896 .....			\$24,981 42

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger earnings .....	\$1,028 96
Freight earnings .....	69,016 18
Total passenger and freight earnings .....	\$70,045 13
Other earnings .....	375 56
Total gross earnings from operation .....	\$70,420 69

## OPERATING EXPENSES.

Item.	Amount.
Maintenance of way and structures:	
Renewals of rails.....	\$18,436 00
Maintenance of equipment:	
Repairs and renewals of locomotives.....	\$1,769 23
Repairs and renewals of freight cars.....	1,028 11
Other expenses.....	341 26
Total.....	\$3,136 60
Conducting transportation:	
Fuel for locomotives.....	\$4,280 04
Loss and damage.....	327 32
Other expenses.....	25,401 88
Total.....	\$30,009 24
General expenses:	
Insurance.....	\$28 50
Grand total.....	\$51,610 34
Percentage of operating expenses to earnings.....	73.00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.	June 30, 1896— Increase.	June 30, 1896— Decrease.
\$255,660 33 64,413 82 34,847 50 54,921 65	Cost of road ..... Cost of equipment ..... Cash and current assets ..... Profit and loss .....	\$266,790 52 64,413 82 9,868 08 41,070 42	\$11,130 19 ----- ----- -----	   \$24,981 42 13,851 23
\$409,843 30	Totals .....	\$382,140 84	\$11,130 19	\$38,832 65
June 30, 1895.	Liabilities.	June 30, 1896.	June 30, 1896— Decrease.	
\$300,000 00 54,921 65	Capital stock ..... Profit and loss .....	\$300,000 00 41,070 42	 \$13,851 23	
\$354,921 65	Totals .....	\$341,070 42	\$13,851 23	

## CONTRACTS, AGREEMENTS, ETC.

Contract with Pacific Coast Steamship Company, whereby that company receives 75 per cent, and the Pajaro Valley Railroad Company 25 per cent of the freight receipts for transportation of sugar from Watsonville to San Francisco.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

No record kept.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Freight originating on this road: Sugar, 10,915 tons.

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Freight locomotives .....	3
Cars in passenger service .....	1
Cars in freight service:	
Box cars .....	18
Flat cars .....	19
Other cars .....	126
Total cars owned.....	162

The locomotives are equipped with train brakes.

## MILEAGE OF ROAD OPERATED.

Single track (main line), 23.7 miles; miles of yard track and sidings, 2.

## NEW RAILS LAID DURING YEAR.

Kind.	Tons.	Weight per Yard.	Average Price per Ton at Distributing Point.
Steel.....	626	45 lbs.	\$32 60

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

No record kept.

## CHARACTERISTICS OF ROAD.

Working division: Watsonville to Salinas, a distance of 23.7 miles.

Bridges: Combination, 1; length, 123 feet.

Trestles: 1 mile.

Gauge of track, 3 feet.

Telephone: 24 miles of line and wire owned by this company.

STATE OF CALIFORNIA, }  
County of San Francisco. } ss.

We, the undersigned, Claus Spreckels, President, and E. H. Sheldon, Secretary, of the Pajaro Valley Railroad Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

CLAUS SPRECKELS,  
President.  
E. H. SHELDON,  
Secretary.

Subscribed and sworn to before me, this 11th day of August, 1896.

HENRY P. TRICOU,  
Notary Public in and for the City and County of San Francisco, State of California.

## CHINO VALLEY RAILROAD.

## HISTORY.

1. Name of common carrier making this report: Chino Valley Railroad.
2. Date of organization: Built in 1888.
3. Under laws of what Government, State, or Territory organized: No railroad company organized.

## ORGANIZATION.

Names of Directors.	Post Office Address.
C. H. Phillips .....	San José.
C. H. Phillips, Jr. ....	Chino, Cal.
Walter L. Vail .....	Los Angeles.
C. W. Gates .....	Los Angeles.
A. E. Pomeroy .....	Los Angeles.

Stockholders and Directors of the Chino Ranch Company owner of the railroad.

Number of stockholders at date of last election: 5.

Post Office address of general office: Chino, California.

Name and address of officer to whom correspondence regarding this report should be addressed: C. H. Phillips, Jr., Vice-President, Chino, California.

The Chino Valley Railroad was built by Richard Gird, and was sold by him to C. H. Phillips in November, 1894. The Chino Ranch Company was organized March 1, 1895, and this road was transferred to it on or about that date by Mr. Phillips.

It is a 42-inch gauge, with about nine miles of track. It runs one small engine, and one passenger coach between Chino and Ontario, a distance of about 6 miles, twice a day for passenger service. In summer and autumn it is also used in hauling away the beet pulp from the sugar factory to the silos and the dairy. It is a private road.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President .....	C. H. Phillips .....	Chino.
Vice-President .....	C. H. Phillips, Jr. ....	Chino.
Secretary and Treasurer .....	C. W. Gates .....	.....
Chief Engineer and General Superintendent .....	O. Winningstad .....	Chino.

As the railroad is the private property of the Chino Ranch Company, the officers of the ranch company are, by virtue of such positions, officers of the railroad.

## PROPERTY OPERATED.

Chino Valley Railroad: Chino to Ontario, 6 miles; Chino to Dairy, about 4 miles including switches; total, 10 miles.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

During the past year there have been no accounts kept such as are kept for large railroads. Originally the road cost about \$60,000, and each year before the sugar campaign opens is put in repair to stand the wear and tear of hauling about 30,000 to 40,000 tons of beet pulp. Such repairs go into the general expense account of the season.

The equipment consists of 2 small motor engines, 3 passenger cars (only 1 in use), and 7 flat cars, for hauling pulp.

## INCOME ACCOUNT.

This road is not run on the basis of a general railroad: *i. e.*, for a profit. It is simply an accessory to the ranch and is operated only for the general benefit of the ranch and town, the larger portion of both of which are the property of the Chino Ranch Company. The passenger department costs about \$7 per day and returns on an average about \$4 per day. The freight engine and cars only run during the operation of the sugar factory, less than five months in the year. The cost of this department is included in the general pulp account, as we receive nothing for such hauling, being under contract to remove the pulp.

## EARNINGS FROM OPERATION.

Passenger earnings (estimated): \$1,500.

## OPERATING EXPENSES.

Maintenance of way and structures, and equipment, about \$900; conducting passenger transportation, \$2,500; total, \$3,300. General expenses are charged to general expense of ranch; expenses of pulp train are charged to pulp account. Percentage of operating expenses to earnings (passenger service only), as 7 to 4, or 175 per cent greater.

These do not include the running expenses of the pulp train, which are about \$30 per day for four months in the year, more or less.

## CONTRACTS, AGREEMENTS, ETC.

None in name of the railroad, which is not organized.

## EMPLOYEES AND SALARIES.

General officers, 5—no compensation; general office clerks, Chino Ranch Company's clerks; enginemen, 3 during sugar campaign and 1 balance of year—compensation, \$2 50 per day; 1 conductor at \$2 50 per day; other trainmen, 2 brakemen on pulp train, at \$2 per day each; machinists, carpenters, other shopmen, section foremen, other trackmen, switchmen, flagmen, and trackmen—none, except in making the ground repairs of each year, when 6 men are employed about 60 days, at \$2 per day each.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

No account kept.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Sugar beet pulp, 30,000 to 40,000 tons.

## DESCRIPTION OF EQUIPMENT.

Equipment consists of 2 locomotives, 3 passenger cars, and 7 flat cars. All cars are equipped with hand brakes.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Both passenger and freight locomotives use crude petroleum, each consuming about 220 gals. for consecutive run of 24 hours. This fuel costs an average of \$1 per bbl.

## MILEAGE.

In San Bernardino County, California: 10 miles of line (single track), operated under trackage rights, and owned.

## CHARACTERISTICS OF ROAD.

Working Divisions or Branches.	Miles.	Aggregate Length of Curved Line.	Length of Straight Line—Miles.
Chino to Ontario* .....	6	1,500 feet.	5 $\frac{3}{4}$
Chino to Dairy† .....	4	.....	4

\* Grade about 50 feet to a mile. † Grade about 40 feet to a mile.

*To the Board of Railroad Commissioners:*

This being a private road, and operated only for the benefit of the ranch and as a part of the expense thereof, and further, as we have kept no set of railroad books, as is kept by regularly organized roads, showing accurate and absolute information regarding the returns and expenses, and further, as most of our answers have necessarily had to be estimates and not certainties, we could not properly take the oath required.

We have given you the best information we were able to, and trust that it will be to your satisfaction.

Very truly yours,

CHINO RANCH COMPANY.

By E. J. GATES,

For the Secretary.

## THE PACIFIC LUMBER COMPANY.

## HISTORY.

1. Name of common carrier making this report: The Pacific Lumber Company (not a railroad corporation).
2. Date of organization: February 24, 1869.
3. Under laws of what Government, State, or Territory organized: State of California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
W. S. Gage .....	822 Bush Street, San Francisco.
Chas. Nelson .....	6 California Street, San Francisco.
Robert Morrow .....	San Francisco.
Chas. E. Paxton .....	San Francisco.
Allen A. Curtis .....	San Rafael, Cal.

Date of expiration of terms of Directors: April 15, 1897.  
 Number of stockholders at date of last election: 9.  
 Last meeting of stockholders for election of Directors: April 13, 1896.  
 Post Office address of general office: 6 California Street, San Francisco.  
 Post Office address of operating office: Scotia, Humboldt County, Cal.  
 Name and address of officer to whom correspondence regarding this report should be addressed: Allen A. Curtis, President, 6 California Street, San Francisco.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President .....	Allen A. Curtis .....	6 California St., San Francisco.
Vice-President .....	W. S. Gage .....	6 California St., San Francisco.
Secretary .....	Geo. P. Parker .....	6 California St., San Francisco.
Treasurer .....	Anglo-Californian Bank .....	San Francisco.
General Solicitor and Attorney .....	S. M. Buck .....	Eureka.
General Superintendent .....	John A. Sinclair .....	Scotia, California.
General Freight Agent .....	Geo. E. Howes .....	Scotia, California.
General Ticket Agent .....	O. F. Redfield .....	Scotia, California.

## PROPERTY OPERATED.

This company operates a line 7 miles long, from Scotia to Alton.

## CAPITAL STOCK.

This company has no strictly railroad capital stock.

## COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.

Total cost of road (no detailed account) to June 30, 1896, \$183,000; total cost of equipment to June 30, 1896, \$72,000; total, \$255,000.

## INCOME ACCOUNT.

Gross earnings from operation .....	\$4,934 56
Less operating expenses .....	7,989 81
Deficit .....	\$3,055 25

Railroad taxes are not separated from other taxes.

## EARNINGS FROM OPERATION.

Item.	Actual Earnings.
Passenger revenue.....	\$2,624 20
Mail .....	289 00
Total passenger earnings .....	\$2,913 20
Freight earnings.....	2,021 36
Total gross earnings from operation.....	\$4,934 56

## OPERATING EXPENSES.

Maintenance of way and structures (items not segregated), \$6,598 34; conducting transportation—charged to the cost of manufacturing lumber; general expenses—salaries of general officers, \$450; salaries of clerks and attendants, \$720; other expenses, \$221 47; total, \$7,989 81.

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1895.	Assets.	June 30, 1896.
\$183,000 00	Cost of road.....	\$183,000 00
72,000 00	Cost of equipment .....	72,000 00
\$255,000 00	Totals.....	\$255,000 00

No liabilities applying to railroad only.

## EMPLOYÉS AND SALARIES.

This company pays no salaries to employés for railroad work only.

## PASSENGERS AND FREIGHT, AND TRAIN MILEAGE.

Have no detailed account.

## FREIGHT TRAFFIC MOVEMENT (Company's material excluded).

Keep no detailed statements.

## DESCRIPTION OF EQUIPMENT.

Item.	Number at End of Year.
Locomotives in service .....	2
Cars in passenger service .....	1
Cars in freight service:	
Box cars.....	5
Flat cars.....	6
Small lumber cars.....	70
Total .....	81
Total cars in service .....	82

The passenger, box, and flat cars are equipped with train brakes.

## MILEAGE.

This company operates and owns 7 miles of line between Scotia and Alton, in California. There is no capital stock represented by railroad only.

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

The items relating to consumption of fuel by locomotives have not been segregated.

STATE OF CALIFORNIA,  
City and County of San Francisco. } ss.

We, the undersigned, Allen A. Curtis, President, and Geo. P. Parker, Secretary, of the Pacific Lumber Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

ALLEN A. CURTIS,  
President.  
GEO. P. PARKER,  
Secretary.

Subscribed and sworn to before me, this 7th day of September, 1896.

HENRY B. MADISON,  
Notary Public in and for the City and County of San Francisco, State of California.

## GUALALA RIVER RAILWAY COMPANY.

## HISTORY.

1. Name of common carrier making this report: Gualala River Railway Company.
2. Date of organization: February 14, 1891.
3. Under laws of what Government, State, or Territory organized: Under the Civil Code of the State of California.

## ORGANIZATION.

Names of Directors.	Post Office Address.
S. H. Harmon .....	San Francisco.
N. F. Dingley .....	San Francisco.
N. B. Heywood .....	Gualala, Mendocino County.
F. Heywood .....	San Francisco.
H. A. Powell .....	San Francisco.

The Directors were elected on February 23, 1893, to hold office one year, and until their successors were elected. No meeting of stockholders or election of Directors has been held since.

Number of stockholders at date of last election: 5.

Last meeting of stockholders for election of Directors: February 23, 1893.

Post Office address of general office: 31 Steuart Street, San Francisco.

Post Office address of operating office: Gualala, Mendocino County, California.

Name and address of officer to whom correspondence regarding this report should be addressed: F. Heywood, President, 31 Steuart Street, San Francisco.



## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board.....	F. Heywood.....	31 Steuart St., San Francisco.
President.....	F. Heywood.....	Gualala.
Vice-President.....	W. B. Heywood.....	
Secretary.....	S. Hackley.....	
Treasurer.....	S. H. Harmon.....	42 Market St., San Francisco.
Attorney, or General Counsel.....	H. H. Powell.....	615 Safe Deposit Building, S. F.
General Manager, Chief Engineer, and General Supt.....	W. B. Heywood.....	Gualala.

## PROPERTY OPERATED.

Name.	Terminals.	Miles of Line.
Gualala River Railway.....	Bowen's Landing to Logging Camp.	12

## CAPITAL STOCK.

Description.	No. Shares Authorized.	Par Value of Shares.	Par Value Authorized.	Amount Issued and Outstanding.
Capital stock, common .....	15,000	\$500 00	\$1,500 00	\$500,000 00

## ASSETS AND LIABILITIES.

The Gualala River Railway is used merely as a logging road in connection with the Gualala Mill Company. It has no passenger traffic and no freight traffic, excepting for the Gualala Mill Company. The owners of the Gualala Mill Company are the owners of the Gualala River Railway. For these reasons no separate account has been kept of assets and liabilities.

## EARNINGS FROM OPERATION.

There is no passenger traffic on this line.

## RAILWAY STOCKS OWNED.

Name.	Total Par Value.	Valuation.
F. Heywood.....	\$124,900 00	\$7,993 60
H. A. Powell.....	100 00	6 40
S. H. Harmon.....	125,000 00	8,000 00
W. B. Heywood.....	125,000 00	8,000 00
Hannah B. Dingly.....	125,000 00	8,000 00

No income is received from these stocks.

## DESCRIPTION OF EQUIPMENT.

The equipment of this line consists of 4 freight locomotives and 32 logging cars.

## MILEAGE.

This company owns and operates 12 miles of main line (single track), from Bowen's Landing to Logging Camp.

## CHARACTERISTICS OF ROAD.

Working division: Bowen's Landing to Logging Camp, 12 miles.

Bridges: Wooden, 1, 400 feet long.

Gauge of track, 5 feet 8 inches.

STATE OF CALIFORNIA,  
City and County of San Francisco. } ss.

We, the undersigned, F. Heywood, President, and S. Hackley, Secretary, of the Gualala River Railway Company, on our oath, do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all the financial operations of said company during the period for which said return is made.

F. HEYWOOD,  
President.  
S. HACKLEY,  
Treasurer.

Subscribed and sworn to before me this 8th day of July, 1896.

HENRY B. MADISON,  
Notary Public in and for the City and County of San Francisco, State of California.

## \* IRON MOUNTAIN RAILWAY COMPANY.

### HISTORY.

1. Name of common carrier making this report: Iron Mountain Railway Company.
3. Under laws of what Government, State, or Territory organized: State of California.

### ORGANIZATION.

Names of Directors.	Post Office Address.
Louis B. Parrott.....	.....San Francisco.
Charles P. Eells.....	.....San Francisco.
M. M. O'Shaughnessy.....	.....San Francisco.
C. W. Fielding.....	.....New York.
Alfred Fellows.....	.....Newcastle on Tyne.

Last meeting of stockholders for election of Directors: July 19, 1895.  
Post Office address of general office: Care Messrs. Page & Eells, Mills Building, San Francisco.  
Post Office address of operating office: Keswick, Shasta County, Cal.  
Name and address of officer to whom correspondence regarding this report should be addressed: Alexander Hill, Manager, Keswick, Shasta County, Cal.

### OFFICERS.

Title.	Name.	Location of Office.
Chairman of the Board, and President.....	Louis B. Parrott.....	.....San Francisco.
Vice-President.....	Charles P. Eells.....	.....San Francisco.
Secretary.....	H. L. Atkinson.....	.....San Francisco.
Treasurer.....	F. E. Vivian Bond.....	.....117 Pearl Street, New York.
General Solicitor and Attorney.....	Page & Eells.....	Mills Building, San Francisco.

The duties of all other offices are performed by Alexander Hill, of Keswick, Shasta County, Cal.

### PROPERTY OPERATED.

No operations till after June 30, 1896.

## CAPITAL STOCK.

The total number of authorized shares of capital stock is 1,000, of a par value of \$100 each. Total amount issued and outstanding, \$100,000. Dividends declared during year, none.

*To the Board of Railroad Commissioners:*

The Iron Mountain line is a tramway from a mine to a smelting works, and was not completed on June 30, 1896.

We cannot fill up the various forms in this book because we have not the data.

C. W. FIELDING,  
Director.

## REPORT OF SOUTHERN PACIFIC COMPANY.

[For the year ending June 30, 1895.]

## HISTORY.

1. Name of common carrier making this report: Southern Pacific Company.
2. Date of organization: March 17, 1884.
3. Under laws of what Government, State, or Territory organized: Chartered by the Act of the State of Kentucky, Chap. 403, approved March 17, 1884; amended by Chap. 601, approved March 21, 1888.

## ORGANIZATION.

Names of Directors.	Post Office Address.
C. P. Huntington .....	23 Broad Street, New York.
T. E. Stillman .....	23 Broad Street, New York.
T. H. Hubbard .....	23 Broad Street, New York.
H. E. Huntington .....	San Francisco.
C. F. Crocker .....	San Francisco.
R. J. Wilson .....	San Francisco.
Geo. Crocker .....	San Francisco.
C. G. Lathrop .....	San Francisco.
N. T. Smith .....	San Francisco.
A. N. Towne (since deceased) .....	San Francisco.
J. C. Stubbs .....	San Francisco.

Date of expiration of terms of Directors: April 9, 1896.

Number of stockholders at date of last election: 162.

Last meeting of stockholders for election of Directors: April 3, 1895.

Post Office address of general and operating offices: No. 4 Montgomery Street, San Francisco, Cal.

## PROPERTY OPERATED.

Name of Road.	Miles.	Total Miles.
<i>Railroad line represented by capital stock—</i>		
None except through ownership of stock.		
<i>Proprietary companies whose entire capital stock is owned by this company—</i>		
Southern Pacific Railroad of California:		
San Francisco to Tres Pinos .....	100.50	
Alcalde to Mojave .....	201.83	
Mojave to Yuma .....	349.43	
Carnadero to San Miguel .....	124.80	
Los Angeles to San Pedro .....	24.24	
Hillsdale to New Almaden .....	7.80	
Pajaro to Santa Cruz .....	21.20	
Aptos to Monte Vista .....	7.44	
San Miguel to San Luis Obispo .....	45.50	
Ellwood to Saugus .....	91.50	
Castroville to Lake Majella .....	19.52	
Near Martinez to Armona .....	193.48	
Avon to San Ramon .....	19.70	
Oakdale to Merced .....	40.60	
Amount carried forward .....	1,248.04	

## PROPERTY OPERATED—Continued.

Name of Road.	Miles.	Total Miles.
Amount brought forward .....	1,248.04	
Fresno to Poso .....	104.26	
Berenda to Raymond .....	21.00	
Florence to Santa Ana .....	27.60	
Clement Junction to Santa Monica .....	15.50	
Studebaker to Whittier .....	5.90	
Long Beach to Thenard .....	3.80	
Stockton to Milton .....	30.00	
Peters to Oakdale .....	19.00	
Miraflores to Tustin .....	10.80	
Baden to San Bruno .....	3.67	
Santa Monica to Port Los Angeles .....	3.20	
Ontario to Chino .....	5.70	
Declez to Declezville .....	2.55	
Redlands Junction to Crafton .....	7.00	
Collis to Fresno .....	15.39	
Fresno to Pollasky .....	23.70	
Bakersfield to Asphalto .....	47.90	
Home Junction to Soldiers Home .....	1.80	
Shorbs (Motor) to Monrovia .....	10.40	
Burbank to Chatsworth Park .....	21.30	
San Bernardino to Motor Junction .....	7.17	
Southern Pacific Railroad of Arizona .....	392.50	
Southern Pacific Railroad of New Mexico .....	171.06	
South Pacific Coast Railway (Narrow Gauge):		
San Francisco to Santa Cruz .....	80.80	
Alameda Junction to 14th Street, Oakland .....	1.80	
Newark to Centerville .....	3.00	
Campbells to New Almaden .....	9.60	
Felton to Boulder Creek .....	7.30	
Junction south of Big Trees to Old Felton .....	1.70	
Northern Railway:		
West Oakland to Delaware Street .....	4.15	
West Oakland to Berrymans .....	5.38	
West Oakland to near Martinez .....	31.03	
Port Costa to Benicia .....	1.00	
Benicia to Suisun .....	16.33	
Woodland to Tehama .....	100.74	
Willows to Fruto .....	17.10	
Elmira to Rumsey .....	51.05	
Napa Junction to Santa Rosa .....	36.70	
Sacramento to Placerville .....	59.50	
Galt to Ione .....	27.20	
Woodbridge to Valley Springs .....	29.50	
Woodbridge to Bracks .....	10.70	
Northern California Railway:		
Oroville to Marysville .....	25.90	
Marysville to Knight's Landing .....	27.70	
		2,746.22
<i>Line operated under lease for specified sum—</i>		
California Pacific Railroad:		
Vallejo Junction to Sacramento .....	62.39	
Davis to Knight's Landing .....	18.57	
Napa Junction to Calistoga .....	34.48	
Union Pacific Railway:		
Five miles west of Ogden to Ogden .....	5.00	
		120.44
<i>Line operated under contract, or where the rental is contingent upon earnings, or other conditions—</i>		
Central Pacific Railroad:		
San Francisco to Brighton .....	134.03	
Sacramento to five miles west of Ogden .....	738.56	
Niles to San José .....	17.54	
Lathrop to Goshen .....	146.08	
Roseville to California and Oregon State line .....	296.50	
Oakland local lines .....	4.84	
Alameda local lines .....	11.46	
Amount carried forward .....	1,349.01	2,866.66

## PROPERTY OPERATED—Continued.

Name of Road.	Miles.	Total Miles.
Amount brought forward .....	1,349.01	2,866.66
Oregon & California Railroad:		
California and Oregon State line to Portland .....	366.80	
Portland to Corvallis .....	98.50	
Albany Junction to Lebanon .....	11.50	
Woodburn to Natron .....	92.70	
Dundee to Airlie .....	50.50	
Sheridan Junction to Sheridan .....	7.00	
Portland to Dundee .....	28.50	
		2,002.51
Line operated under trackage rights—		
Northern Railway, account Central Pacific Railroad:		
Brighton to Sacramento .....	5.64	
		5.64
Total Pacific System .....		4,874.81

## PROPERTY LEASED OR OTHERWISE ASSIGNED FOR OPERATION.

(Reported by lessor companies.)

## CAPITAL STOCK.

The total par value of authorized capital stock is \$150,000,000, divided into 1,500,000 shares of a par value of \$100 each. The total amount issued and outstanding is \$120,934,170. No dividends declared. The manner of payment for capital stock was as follows:

	Number Shares Issued During Year.	Total Number of Shares Issued.	Cash Realized.
Issued for cash .....		10,000.00	\$1,000,000 00
Issued for stocks of railroad companies .....	18,870	1,199,341.70	119,934,170 00
Totals .....	18,870	1,209,341.70	\$120,934,170 00

The stock of this company is issued at par and it receives therefor stock of railroad companies at rates agreed upon by the Boards of Directors.

## FUNDED DEBT.

Class of Bond or Obligation.	Authorized Issue.	Amount Issued.	Amount Outstanding.	Cash Realized on Amount Issued.
S.P. Company steamship bonds, first mortgage, Jan. 1, 1891, to Jan. 1, 1911 .....	\$3,000,000 00	\$3,000,000 00	\$2,715,000 00	\$3,000,000 00

These bonds bear 6 per cent interest, payable in January and July. The amount accrued during year was \$162,930; amount paid, \$167,220.

## RECAPITULATION OF FUNDED DEBT.

Class of Debt.	Amount Issued.	Amount Outstanding.	Interest Accrued During Year.	Interest Paid During Year.
Mortgage bonds .....	\$3,000,000	\$2,715,000	\$162,930	\$167,220

## CURRENT ASSETS AND LIABILITIES.

Cash and Current Assets Available for Payment of Current Liabilities.		Current Liabilities Accrued to and Including June 30, 1895.	
Cash .....	\$1,724,815 74	Loans and bills payable .....	\$2,349,510 69
Bills receivable .....	103,448 40	Audited vouchers and acc'ts. ....	1,882,879 68
Due from agents .....	690,951 58	Wages and salaries .....	1,972,242 22
Miscellaneous, U. S. Govt. ....	2,277,406 82	Due solvent companies and individuals .....	1,780,652 16
Miscellaneous, U. S. Govt. ....	1,101,145 52	Matured interest coupons unpaid .....	1,404,868 60
Balance—current liabilities....	3,552,385 29		
Total .....	\$9,450,153 35	Total .....	\$9,450,153 35

Materials and supplies on hand, \$2,357,086 30.

## RECAPITULATION.

## A. For Mileage Owned by Road Making this Report.

Account.	Total Amount Outstanding.	Apportionment to Other Properties.
Capital stock .....	\$120,934,170 00	
Bonds .....	2,715,000 00	\$2,715,000 00
Current liabilities .....	9,450,153 35	
Totals .....	\$133,099,323 35	\$2,715,000 00

This company owns no road except through ownership of capital stock of railroad companies, which is in effect a duplication. \*Deduction.

## B. For Mileage Operated by Road Making this Report (Trackage Rights Excluded), the Operations of Which are Included in the Income Account.

Name of Road.	Capital Stock.	Funded Debt.	Current Liabilities.	Total.
Southern Pacific R. R. of California .....	\$68,402,900	\$52,593,500	\$584,807 01	\$121,581,007 01
Southern Pacific R.R. of Arizona .....	19,995,000	10,000,000	104,173 33	30,099,173 33
Southern Pacific R. R. of New Mexico .....	6,888,800	4,180,000	163,444 68	11,232,244 68
So. Pac. Coast Ry. (narrow gauge) .....	6,000,000	5,500,000		11,500,000 00
Northern Railway .....	12,896,000	9,907,000	65,463 13	22,868,463 13
Northern California Railway .....	1,280,000	1,074,000		2,354,000 00
Central Pacific Railroad .....	67,275,500	60,024,000	1,734,868 47	129,034,368 47
Oregon & California Railroad .....	19,000,000	19,625,000	698,766 80	39,323,766 80
California Pacific Railroad .....	12,000,000	6,825,500	231,244 40	19,056,744 40

Name of Road.	Miles.	Amount per Mile of Road.
Southern Pacific Railroad of California .....	1,859.99	\$65,366 47
Southern Pacific Railroad of Arizona .....	392.50	76,685 77
Southern Pacific Railroad of New Mexico .....	167.30	67,137 91
South Pacific Coast Railway (narrow gauge) .....	101.00	113,861 39
Northern Railway .....	389.38	58,730 45
Northern California Railway .....	53.60	43,917 90
Central Pacific Railroad .....	1,345.32	95,913 52
Oregon & California Railroad .....	653.50	60,174 00
California Pacific Railroad .....	113.44	167,989 63

Morgan's Louisiana & Texas Railroad and Steamship Company, Louisiana Western Railroad, and Iberia & Vermilion Railroad—not at hand.

**COST OF ROAD, EQUIPMENT, AND PERMANENT IMPROVEMENTS.**  
(Expenditures during year, not included in operating expenses.)

Item.	Permanent Improvements.
Construction:	
Right of way .....	\$144 77
Other real estate .....	*2,325 95
Fences .....	6,385 47
Grading, and bridge and culvert masonry .....	715 22
Bridges and trestles .....	4,385 66
Rails .....	3,268 50
Other superstructure .....	3,430 51
Buildings, furniture, and fixtures .....	44,861 35
Shop machinery and tools .....	21,327 88
Sidings and yard extensions .....	40,080 11
Other items .....	950 81
Total construction .....	\$123,224 23
Equipment:	
Locomotives .....	*\$2,119 13
Passenger cars .....	*2,000 00
Total equipment .....	*4,119 13
Total cost construction, equipment, etc. ....	\$119,105 10

This company owns no road. Construction and equipment reported by lessor companies.

**INCOME ACCOUNT.**

	Atlantic System.	Pacific System.	Total.
Gross earnings from operation .....	\$4,602,666 47	\$31,245,143 89	\$35,847,810 36
Less operating expenses .....	2,880,097 66	20,937,498 58	23,797,596 24
Income from operation .....	\$1,742,568 81	\$10,307,645 31	\$12,050,214 12
Dividends on stocks owned .....		\$99,750 00	\$99,750 00
Interest on bonds owned .....	111,200 00	73,233 40	184,433 40
Miscellaneous income—less expenses .....	391,074 97	594,130 05	985,205 02
Total income .....	\$2,244,843 78	\$11,074,758 76	\$13,319,602 54
Deductions from income:			
Interest on funded debt accrued .....	\$162,930 00		\$162,930 00
Interest on interest-bearing current liabilities accrued, not otherwise provided for .....	*17,825 00	59,370 06	41,545 06
Rents .....	1,000,519 15	10,065,915 90	11,066,435 05
Taxes .....	114,657 04	985,165 36	1,099,822 40
Permanent improvements .....		119,145 10	119,145 10
Other deductions .....	71,244 00	784,700 90	855,944 90
Total deductions from income .....	\$1,331,525 19	\$12,044,297 32	\$13,375,822 51
Net income .....	\$913,318 59	\$969,538 56	\$56,219 97
Deficit from operations of year ending June 30, 1895 .....			\$56,219 97
Surplus on June 30, 1894 .....			7,360,802 44
			\$7,304,582 47
Deductions for year .....			365,790 24
Surplus on June 30, 1895 .....			\$6,938,792 23

\*Deduction.

Other deductions:	
Central Pacific Railroad sinking fund .....	\$185,000 00
Central Pacific Railroad, United States requirements .....	599,700 90
Southern Pacific Company steamship sinking fund (\$75,000 less \$3,756) ..	71,244 00
	\$855,944 90



## Deductions for year:

Taxes reassessed—payable under leases by Southern Pacific Company ..	\$93,561 71
Adjustment of valuations of securities owned .....	272,228 53

\$365,790 24

## EARNINGS FROM OPERATION—Pacific System.

Item.	Total Receipts.	Deductions, Etc.	Actual Earnings.
Passenger revenue .....	\$8,990,140 68		
Less tickets redeemed .....		\$133,235 45	
Excess fares refunded .....		10,272 70	
Total deductions .....		\$143,508 15	
Total passenger revenue .....			\$8,846,632 53
Mail .....			1,111,148 58
Express .....			582,901 74
Extra baggage and storage .....			107,765 17
Other items .....			372,681 60
Total passenger earnings .....			\$11,021,129 62
Freight revenue .....	\$19,652,149 93		
Less overcharge to shippers .....		\$415,909 16	
Other repayments .....		48,886 69	
Total deductions .....		\$464,695 85	
Total freight earnings .....			19,187,454 08
Other earnings from operation:			
Car mileage—balance .....			\$352,589 21
Locomotive mileage—balance .....			92,589 89
Telegraph companies .....			103,180 00
Rents from tracks, yards, and terminals .....			76,599 27
Rents not otherwise provided for .....			127,176 10
Other sources .....			24,425 72
Total other earnings .....			\$1,036,560 19
Total gross earnings from operation .....			\$31,245,143 89

## STOCKS OWNED.

Name.	Par Value.	Valuation.
Southern Pacific R. R. Co. of California .....	\$67,877,950 00	\$40,726,770 00
Southern Pacific R. R. Co. of Arizona .....	19,995,000 00	11,997,000 00
Southern Pacific R. R. Co. of New Mexico .....	6,808,000 00	4,133,240 00
South Pacific Coast Ry. ....	6,000,000 00	550,000 00
Northern Railway .....	12,704,700 00	12,704,700 00
Northern Cal. Ry. ....	1,280,000 00	10 00
Oregon & California R. R. Co. ....	4,000,000 00	400,000 00
Cal. Pac. R. R. Co. ....	1,794,833 33	279,830 16
M. L. & T. R. R. & S. S. Co. ....	14,995,000 00	22,444,250 00
La. West. R. R. ....	3,360,000 00	3,360,000 00
Texas & New Orleans R. R. ....	5,000,000 00	7,500,000 00
G. H. & S. A. Ry. ....	26,914,500 00	16,150,275 00
N. Y. T. & M. Ry. ....	615,000 00	500 00
Mexican International R. R. ....	4,172,100 00	834,420 00
Austin & N. W. R. R. ....	716 000 00	179,000 00
Cent. Tex. & N. W. Ry. ....	200,000 00	47,000 00
World's Columbian Exposition .....	20,000 00	18,000 00
Union Compress & W. H. Co. ....	16,000 00	10,000 00
La. Sugar Ex. ....	250 00	175 00
Cham. of Com. and Industry of La. ....	100 00	100 00
N. O. Board of Trade .....	100 00	80 00
Railway Age & Northwestern Railroader .....	500 00	500 00
Wells-Fargo Co. ....	1,750,000 00	1,925,000 00
Totals .....	\$178,300,633 33	\$123,260,900 16

Income received from stocks owned, \$99,750.

## BONDS OWNED.

Name.	Par Value.	Rate.	Income Received.	Valuation.
S. P. R. R. of Cal., 5% consolidated of 1893.	\$582,000 00	5%	\$24,250 00	\$523,800 00
Oregon & California R. R., first mortgage.	397,000 00	5%	37,612 46	374,500 00
Galveston, Harrisburg & San Antonio Ry., West. Div., second mortgage .....	1,110,000 00			277,500 00
Gulf, W. T. & Pac. Ry., first mortgage....	2,224,000 00	5%	111,200 00	1,334,178 38
Northern Pacific Terminal Company....	116,000 00	6%	11,370 84	111,400 00
Totals .....	\$4,429,000 00		\$184,433 40	\$2,621,378 38

## RENTALS RECEIVED—Pacific System.

Designation of Property.	Situation of Property Leased.	Company Using Property Leased.	Item.
Tracks: Third rail privilege...	Ogden, Utah .....	Rio Grande W. Ry.	\$7 30
Trackage right .....	Sacramento to Brighton	C. P. R. R.	7,200 00
Trackage right .....	Marysville, Cal. ....	Nor. Cal. Ry.	1,800 00
Yards: Ferry and river steamers	S. F. Bay and tributaries.	Pac. System lines.	16,620 38
Shops .....	Sacramento, Cal. ....		49,799 97
Terminals: Ground .....	San Francisco, Cal. ....	Various tenants...	1,171 62
Total .....			\$76,599 27

## RENTALS RECEIVED—Atlantic System.

Designation of Property.	Situation of Property Leased.	Company Using Property Leased.	Item.
Trackage right .....	New Iberia, La. ....	Iberia & Vermillion R.R..	\$1,113 00

## MISCELLANEOUS INCOME—Pacific System.

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Creosote works, Oakland, operation of.....	\$6,134 82		\$6,134 82
Rental of property .....	164,061 34	\$12,332 11	151,729 23
Line of S. P. R. R., Mojave to The Needles, leased to A. & P. R. R. Co. ....	436,266 00		436,266 00
Totals .....	\$606,462 16	\$12,332 11	\$594,130 05

## MISCELLANEOUS INCOME—Atlantic System.

Item.	Gross Income.	Less Expenses.	Net Miscellaneous Income.
Morgan's steamship line.....	\$2,814,485 71	\$2,819,569 74	*\$5,084 03
Rental of property .....	2,400 00		2,400 00
Southern Pacific Co. steamships.....	590,865 00	268,350 00	322,515 00
Contributions to Sinking Fund .....	75,000 00	3,756 00	71,244 00
Totals .....	\$3,482,750 71	\$3,091,675 74	\$391,074 97

\* Deduction.

OPERATING EXPENSES—*Pacific System.*

Item.	Amount.
<b>Maintenance of way and structures:</b>	
Repairs of roadway .....	\$2,442,395 20
Renewals of rails .....	462,483 71
Renewals of ties .....	605,171 33
Repairs of bridges and culverts .....	437,863 71
Repairs of fences, road crossings, signs, and cattle guards .....	91,199 67
Repairs of buildings .....	365,378 72
Repairs of docks and wharves .....	95,638 06
Repairs of telegraph .....	3,295 92
Other expenses .....	274,935 88
.....	107,682 35
<b>Total .....</b>	<b>\$4,886,042 54</b>
<b>Maintenance of equipment:</b>	
Repairs and renewals of locomotives .....	\$1,189,221 37
Repairs and renewals of passenger cars .....	618,597 34
Repairs and renewals of freight cars .....	984,133 34
Repairs and renewals of ferry-boats, tugs, floats, and barges .....	101,840 04
Shop machinery, tools, etc. ....	26,279 76
Other expenses .....	261,710 59
<b>Total .....</b>	<b>\$3,181,782 44</b>
<b>Conducting transportation:</b>	
Wages of enginemen, firemen, and roundhouse men .....	\$1,627,728 06
Fuel for locomotives .....	3,578,893 28
Water supply for locomotives .....	125,211 50
All other supplies for locomotives .....	62,157 09
Wages of other trainmen .....	1,186,280 40
All other train supplies .....	107,412 78
Wages of switchmen, flagmen, and watchmen .....	376,879 85
Expense of telegraph, including train dispatchers and operators .....	419,110 95
Wages of station agents, clerks, and laborers .....	1,540,724 80
Station supplies .....	81,114 80
Switching charges—balance .....	12,986 93
Car mileage—balance .....	410,162 69
Loss and damage .....	89,579 57
Injuries to persons .....	133,667 94
Barges, floats, tugs, ferry-boats, expenses of, including wages, fuel, and supplies .....	530,915 68
Other expenses .....	317,695 65
<b>Total .....</b>	<b>\$10,600,511 97</b>
<b>General expenses:</b>	
Salaries of officers .....	\$339,496 29
Salaries of clerks .....	565,986 93
General office expenses and supplies .....	46,887 90
Agencies, including salaries and rent .....	230,199 12
Advertising .....	117,116 49
Commissions .....	11,744 80
Expense of traffic associations .....	7,587 72
Rents for tracks, yards, and terminals .....	276,655 03
Rents not otherwise provided for .....	158,101 28
Legal expenses .....	287,470 25
Stationery and printing .....	98,593 31
Other general expenses .....	131,322 51
<b>Total .....</b>	<b>\$2,269,161 63</b>
<b>Recapitulation of expenses:</b>	
Maintenance of way and structures .....	\$4,886,042 54
Maintenance of equipment .....	3,181,782 44
Conducting transportation .....	10,600,511 97
General expenses .....	2,269,161 63
<b>Grand total .....</b>	<b>\$20,937,498 58</b>
Percentage of operating expenses to earnings .....	67.01

## RENTALS PAID—Pacific System.

## A. Rents Paid for Lease of Road.

Name of Road.	Interest on Bonds Guaranteed.	Cash.	Total.
Southern Pacific R. R. of California.....	\$2,874,877 74	\$528,822 28	\$3,401,200 00
Southern Pacific R. R. of Arizona.....	600,000 00	119,818 70	719,818 70
Southern Pacific R. R. of New Mexico.....	250,880 00	71,771 22	322,571 22
South Pacific Coast Railway.....	220,000 00	—	220,000 00
Northern Railway.....	546,910 00	805,708 72	852,618 72
Northern California Railway.....	53,700 00	—	53,700 00
Central Pacific Railroad.....	3,349,952 00	144,593 80	3,494,546 30
.....	.....	10,000 00	10,000 00
Oregon & California Railroad.....	933,550 00	*541,355 71	397,494 29
.....	.....	4,168 67	4,168 67
California Pacific Railroad.....	.....	600,000 00	600,000 00
Union Pacific Railroad.....	.....	20,000 00	20,000 00
Totals.....	\$8,835,080 24	\$1,260,825 66	\$10,095,915 90

\* Deduction.

## B. Rents Paid for Lease of Other Property.

Designation of Property.	Situation of Property Leased.	Company Owning Property Leased.	Item.	Total.
Steamers.....	Bay of San Francisco and tributaries ..	Various lines Pacific System .....	.....	\$19,245 38
Trackage right.....	Rio Grande and El Paso.....	G., H. & S. A. Ry. ..	\$8,492 04	
Trackage right.....	Marysville, Cal.....	C. P. R. R. ....	1,800 00	
Trackage right.....	Sacramento to Brighton.....	Northern Ry.....	7,200 00	
Willamette River Bridge.....	Portland, Oregon ..	U. P. Ry.....	10,000 00	
Total.....	.....	.....	.....	27,492 04
Right of way.....	San Francisco, Cal.....	Hastings.....	.....	
Right of way.....	San Francisco, Cal.....	Payne & Dewy.....	.....	
Shops.....	San Francisco, Cal.....	Pacific Imp. Co.....	\$7,500 00	
Shops.....	El Paso, Texas.....	G., H. & S. A. Ry. Co.....	9,000 00	
Shops.....	Sacramento.....	C. P. R. R. ....	49,799 97	
Total.....	.....	.....	.....	66,299 97
Terminals:				
Depot grounds.....	Ogden, Utah.....	Ogden, Utah, Ry. and Dep. Co. ....	\$9,000 00	
Grounds.....	San Francisco, Cal.....	C. A. Hooper Co....	20,000 04	
.....	San Francisco, Cal.....	Pacific Imp. Co....	96,000 00	
.....	Portland, Oregon ..	N. P. Terminal Co.....	38,612 60	
.....	Pajaro.....	.....	5 00	
Total.....	.....	.....	.....	163,617 64
Grand total.....	.....	.....	.....	\$276,655 03

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

## RENTALS PAID—Atlantic System.

## A. Rents Paid for Lease of Road.

Name of Road.	Interest on Bonds Guaranteed.	Cash.	Total.
Morgan's L. & T. R. R. & S. S. Co. ....	\$452,088 64	\$318,544 21	\$770,632 85
Louisiana Western R. R. ....	134,400 00	83,733 05	218,133 05
Iberia & Vermilion R. R. ....	16,100 00	*4,346 75	11,753 25
Totals .....	\$602,588 64	\$397,930 51	\$1,000,519 15

\* Deduction.

## B. Rents Paid for Lease of Other Property.

Designation of Property.	Situation of Property Leased.	Name of Company Owning Property Leased.	Item.	Total.
Trackage right .....	Pacific Junction to Cheneyville .....	La. T. & P. Ry. Co. ....	\$10,620 00	\$11,733 00
Trackage right .....	New Iberia, La. ....	M. L. & T. R. R. & S. Co. ....	1,113 00	
Total .....				
Shops .....	Houston, Texas ....	T. & N. O. R. R. Co. ....		400 00
Grand total .....				\$12,133 00

## COMPARATIVE GENERAL BALANCE SHEET.

June 30, 1894.	Assets.	June 30, 1895.	June 30, 1895—Increase.	June 30, 1895—Decrease.
\$123,497,150 16	Stocks of other companies owned .....	\$123,260,900 16		\$236,250 00
3,053,525 66	Bonds of other companies owned .....	2,621,378 38		432,147 28
6,556,196 14	Other permanent invest'ts .....	6,574,195 34	\$17,999 20	
4,951,089 07	Cash and current assets .....	5,897,768 06	946,678 99	
4,119,591 25	Materials and supplies .....	2,357,086 30		1,762,504 95
75,900 00	Sinking fund .....	594 00		75,306 00
	Sundries .....	429,245 34	429,245 34	
\$142,253,452 28	Totals .....	\$141,141,167 58		
June 30, 1894.	Liabilities.	June 30, 1895.	June 30, 1895—Decrease.	
\$120,934,170 00	Capital stock .....	\$120,934,170 00		
2,858,000 00	Funded debt .....	2,715,000 00		\$143,000 00
10,055,638 51	Current liabilities .....	9,450,153 35		605,485 16
826,941 33	Accrued interest on funded debt not yet payable .....	817,458 00		9,483 33
217,900 00	Income for sinking funds .....	285,594 00		67,694 00
7,360,802 44	Profit and loss .....	6,938,792 23		354,316 21
\$142,253,452 28	Totals .....	\$141,141,167 58		\$1,112,284 70

## IMPORTANT CHANGES DURING THE YEAR.

Steamship bonds redeemed to the amount of \$143,000.

Under date of October 1, 1894, materials and supplies required in the operation of the Central Pacific Railroad were transferred to the ownership of that company.

## CONTRACTS, AGREEMENTS, ETC.

1. *Express Companies.*—Contract with Wells, Fargo & Co., provides that the railroad shall transport express matter, and that payment therefor shall be made by Wells, Fargo & Co. at agreed rates.

2. *Mails.*—Rates are fixed by U. S. Government. On the Central Pacific and Southern Pacific and Oregon & California railroads, these rates are subject to the terms of the several Acts of Congress granting aid for the construction of said railroads.

3. *Sleeping, Parlor, or Dining Car Companies.*—Sleeping cars are operated by the Pullman Palace Car Co., which company owns an interest in the cars. The net profit or loss from their operation is divided in proportion to the interest owned by each company. The Pullman Company has no interest in this company's dining cars, but operates them for account of this company.

4. *Freight or Transportation Companies or Lines.*— } Copies of these contracts have  
5. *Other Railroad Companies.*— } already been filed with the  
6. *Steamboat or Steamship Companies.*— } Commission.

7. *Telegraph Companies.*—Telegraph lines are operated jointly by Western Union Telegraph Co. and this company under contracts entered into by the several lessor companies. The telegraph lines of the South Pacific Coast Railway are operated jointly with the Pacific Postal Telegraph Cable Co.

8. *Other Contracts.*—The Central Pacific Railroad, the Southern Pacific Railroad, and the Oregon & California Railroad, each received aid in its construction from the United States, and are subject by the Acts granting such aid to certain restrictions and conditions regarding the transportation of freight, passengers, and mails. These Acts of Congress constitute contracts between the railroad and the United States.

## SECURITY FOR FUNDED DEBT.

Southern Pacific Company Steamship bonds, seven steamships mortgaged.

## EMPLOYÉS AND SALARIES.

Class.	Number.	Total Days Worked.	Yearly Compensation.	Average Daily Compensation.
General officers .....	71	22,223	\$361,079 04	\$16 25
Other officers .....	12	3,756	46,868 04	12 48
General office clerks .....	515	161,195	562,221 72	3 49
Station agents (including agents who are also operators) .....	542	169,646	431,619 72	2 54
Other stationmen (including men who are also operators) .....	1,336	418,168	1,085,658 08	2 55
Enginemen .....	877	211,901	956,403 96	4 51
Firemen .....	745	233,185	543,722 41	2 33
Conductors .....	379	118,627	489,144 00	4 12
Other trainmen .....	841	263,233	802,343 88	3 05
Machinists .....	389	121,757	421,100 28	3 46
Carpenters .....	768	240,384	775,815 36	3 23
Other shopmen .....	2,617	819,121	1,920,982 68	2 35
Section foremen .....	581	181,853	480,474 72	2 64
Other trackmen .....	3,952	1,236,976	1,853,578 32	1 50
Switchmen, flagmen, and watchmen ..	442	138,346	384,601 44	2 78
Telegraph operators and dispatchers (excluding men as shown above) ..	234	73,242	251,186 88	3 43
Employés—account floating equipment .....	331	103,603	288,896 64	2 79
All other employés and laborers .....	703	220,039	698,049 60	3 17
Total (including general officers) ...	15,135	4,737,255	\$12,333,746 77	\$2 60
Less general officers .....	71	22,223	361,079 04	16 25
Total (excluding general officers) ...	15,064	4,715,032	\$11,972,667 73	\$2 54
Distribution of above:				
General administration .....	598	187,174	\$970,168 80	\$5 18
Maintenance of way and structures ..	4,936	1,544,968	2,755,088 40	1 78
Maintenance of equipment .....	3,371	1,055,123	2,696,862 96	2 56
Conducting transportation .....	6,230	1,949,990	5,911,626 61	3 03
Total (including general officers) ...	15,135	4,737,255	\$12,333,746 77	\$2 60
Less general officers .....	71	22,223	361,079 04	16 25
Total (excluding general officers) ...	15,064	4,715,032	\$11,972,667 73	\$2 54

PASSENGERS AND FREIGHT, AND TRAIN MILEAGE—*Pacific System.*

Item.	Tonnage, Passengers, etc.	Revenue and Rates.
<b>Passenger traffic:</b>		
Number of passengers carried earning revenue.....	17,686,401	
Number of passengers carried one mile.....	446,542,324	
Average distance carried—miles.....	25.28	
Total passenger revenue.....		\$8,846,632 53
Average amount received from each passenger.....		50.076
Average receipts per passenger per mile.....		01.981
Estimated cost of carrying each passenger one mile..	Cannot state.	
Total passenger earnings.....		11,021,129 62
Passenger earnings per mile of road.....		2,260 83
Passenger earnings per train mile.....		1 45.519
<b>Freight traffic:</b>		
Number of tons carried of freight earning revenue..	6,200 899	
Number of tons carried one mile.....	1,630,659,031	
Average distance haul of one ton—miles.....	262.971	
Total freight revenue.....		19,187,454 08
Average amount received for each ton of freight.....		3 09.430
Average receipts per ton per mile.....		01.177
Estimated cost of carrying one ton one mile.....	Cannot state.	
Total freight earnings.....		19,187,454 08
Freight earnings per mile of road.....		3,936 04
Freight earnings per train mile.....		1 92.575
<b>Passenger and freight:</b>		
Passenger and freight revenue.....		28,034,086 61
Passenger and freight revenue per mile of road.....		5,750 81
Passenger and freight earnings.....		30,208,583 70
Passenger and freight earnings per mile of road.....		6,196 87
Gross earnings from operation.....		31,245,143 89
Gross earnings from operation per mile of road.....		6,409 51
Expenses.....		20,937,498 58
Expenses per mile of road.....		4,295 04
<b>Train mileage:</b>		
Miles run by passenger trains.....	7,418,636	
Miles run by freight trains.....	9,498,522	
Miles run by mixed trains.....	620,165	
Total mileage trains earning revenue.....	17,537,324	
Miles run by switching trains.....	2,487,575	
Miles run by construction and other trains.....	721,174	
Grand total train mileage.....	20,746,073	
Mileage of loaded freight cars—north or east.....	120,195,710	
Mileage of empty freight cars—north or east.....	44,002,214	
Average number of freight cars in train.....	16.480	
Average number of loaded cars in train.....	12.064	
Average number of empty cars in train.....	4.416	
Average number of tons of freight in train.....	163.661	
Average number of tons of freight in each loaded car.	13.567	

FREIGHT TRAFFIC MOVEMENT (Company's material excluded)—*Pacific System.*

Commodity.	Freight Tonnage.	Per Cent.
Products of agriculture:		
Grain .....	596,583	9.62
Flour .....	98,122	1.58
Other mill products .....	56,945	.32
Hay .....	199,929	3.23
Tobacco .....	5,520	.09
Cotton .....	5,821	.09
Fruit and vegetables .....	491,187	7.92
Other .....	117,939	1.90
Products of animals:		
Live stock .....	282,223	4.55
Dressed meats .....	15,088	.25
Other packing-house products .....	13,115	.21
Poultry, game, and fish .....	19,212	.31
Wool .....	33,024	.53
Hides and leather .....	20,284	.33
Other .....	3,755	.06
Products of mines:		
Bituminous coal .....	205,616	3.32
Coke .....	40,652	.66
Ores .....	36,395	.59
Base metal, pig or bar .....	20,991	.34
Stone, sand, and other like articles .....	211,848	3.42
Other .....	16,198	.26
Products of forest:		
Lumber .....	460,687	7.43
Wood .....	172,126	2.78
Other .....	7,595	.12
Manufactures:		
Petroleum and other oils .....	118,416	1.91
Sugar .....	104,128	1.68
Naval stores .....	3,499	.05
Iron, pig and bloom .....	21,059	.34
Iron and steel rails .....	11,126	.18
Other castings and machinery .....	17,787	.29
Bar and sheet metal .....	23,282	.37
Cement, brick, and lime .....	112,530	1.81
Agricultural implements .....	6,144	.10
Wagons, carriages, tools, etc. ....	21,449	.34
Wines, liquors, and beers .....	176,099	2.84
Household goods and furniture .....	14,339	.23
Other .....	258,218	4.16
Merchandise .....	743,097	11.98
Miscellaneous: Other commodities not mentioned above .....	189,655	3.06
Company .....	1,249,216	20.15
Total tonnage .....	6,200,899	100.00



DESCRIPTION OF EQUIPMENT—*Pacific System.*

Item.	Added During Year.	Number at End of Year.	With Train Brake.*	With Automatic Coupler.
Locomotives:				
Passenger and freight.....	Dec. 12	667	663	-----
Switching.....	Dec. 2	42	42	-----
Total locomotives.....	Dec. 14	709	705	-----
Cars in passenger service:				
First-class passenger cars.....	Dec. 4	435	430	435 Miller.
Second-class passenger cars.....		89	89	89 Miller.
Combination passenger cars.....	Dec. 1	47	45	47 Miller.
Emigrant cars—tourist.....		73	73	73 Miller.
Dining cars.....		7	7	7 Miller.
Parlor cars.....	Dec. 1	2	2	2 Miller.
Sleeping cars—first-class.....	Dec. 2	90	90	90 Miller.
Baggage, express, and postal cars.....	Inc. 1	187	186	187 Miller.
Other cars in passenger service.....		1		-----
Totals.....	Dec. 7	931	922	930 Miller.
Cars in freight service:				
Box cars.....	Inc. 33	9,636	8,976	{ 138 California.
Flat cars.....	Dec. 207	4,233	3,492	{ 504 California.
Stock cars.....	Dec. 1	21	16	42 California.
Coal cars.....	Dec. 5	638	638	-----
Tank cars—oil cars.....		2	2	-----
Refrigerator cars.....	Inc. 5	32	32	{ 5 Miller.
				{ 4 California.
Totals.....	Dec. 175	14,562	13,156	{ 143 Miller.
				{ 550 California.
Cars in company's service:				
Officers, 11; pay, 2.....	Inc. 3	13	13	13 Miller.
Gravel cars.....	Dec. 14	89		-----
Derrick cars.....		12	11	-----
Caboose cars.....	Dec. 1	257	3	-----
Other road cars.....	Dec. 2	161	54	11 Miller.
Water cars.....		87	85	-----
Totals.....	Dec. 14	619	166	24 Miller.
Total cars owned.....	Dec. 196	16,112	14,244	{ 1,097 Miller.
				{ 550 California.

\* Westinghouse.

MILEAGE—*Pacific System.*

## A. Mileage of Road Operated.

Line in Use.	Line of Proprietary Companies.	Line Operated Under Lease.	Line Operated Under Contract, etc.	Line Operated Under Trackage Rights.	Total Mileage Operated.
Miles of single track.....	2,746.22	120.44	2,002.51	5.64	4,874.81
Miles of second track.....	43.62		9.51		53.13
Miles of yard track and sidings.....	582.25	36.11	397.56		1,015.92
Total mileage operated (all tracks)	3,372.09	156.55	2,409.58	5.64	5,943.86

## MILEAGE—Continued.

Line in Use.	New Line Con- structed During Year.	Iron Rails.	Steel Rails.	Ferry.
Miles of single track .....	-----	126.80	4,738.32	9.69
Miles of second track .....	-----	58	52.55	
Miles of yard track and sidings.....	23.54	632.37	383.55	
Total mileage operated (all tracks).....	23.54	759.75	5,174.42	9.69

## B. Mileage of Line by States and Territories, and of Line Operated by Road Making this Report.

State or Territory.	Line of Proprie- tary Com- panies.	Line Operated Under Lease.	Line Operated Under Contract, etc.	Total Mileage, Excluding Trackage Rights.	Line Operated Under Trackage Rights.
State of California .....	2,182.15	115.44	750.64	3,048.23	5.64
State of Nevada .....	-----	-----	448.73	448.73	
State of Oregon .....	-----	-----	653.50	653.50	
State of Texas .....	3.76	-----	-----	3.76	
Territory of Arizona .....	393.01	-----	-----	393.01	
Territory of New Mexico.....	167.30	-----	-----	167.30	
Territory of Utah .....	-----	5.00	149.64	154.64	
Total mileage operated (single track)	2,746.22	120.44	2,002.51	4,869.17	5.64

State or Territory.	Iron Rails.	Steel Rails.	Ferry.
State of California .....	91.27	2,952.91	9.69
State of Nevada .....	-----	448.73	
State of Oregon .....	35.53	617.97	
State of Texas .....	-----	3.76	
Territory of Arizona .....	-----	393.01	
Territory of New Mexico.....	-----	167.30	
Territory of Utah .....	-----	154.64	
Total mileage operated (single track) .....	126.80	4,738.32	9.69

## C. Mileage Owned by Road Making this Report.

(Reported by lessor companies.)

## RENEWALS OF RAILS AND TIES—Pacific System.

New Rails Laid During Year.	Tons .....	Weight Per Yard—lbs. .....	Average Price Per Ton at Distributing Point.....	New Ties Laid During Year.	Number .....	Average Price at Distribut- ing Point.....
Steel.....	14,260.83	61.50	\$45 00	6x8x8 ft. redwood .....	73,794	\$0 45
Steel.....	1,000.85	76.00	45 00	7x8x8 ft. redwood .....	828,549	50
				7x9x8 ft. redwood .....	111,652	58
				6x8x8 ft. mountain .....	121,780	35
				7x8x8 ft. mountain .....	138,229	35
				7x9x8 ft. mountain .....	314	55
				Burnettized .....	271,609	45
Totals .....	15,261.68	-----	\$45 00	Totals .....	1,545,927	\$0 46.935

## CONSUMPTION OF FUEL BY LOCOMOTIVES.

Locomotives.	Bituminous Coal—Tons.	Soft Wood— Cords.	Total Fuel Consumed— Tons.	Miles Run.	Average lbs. Consumed per Mile.
Passenger.....	177,605.3	35,243.3	195,228	7,418,636	53
Freight, including way switching.....	394,807.0	45,265.2	417,439	9,898,734	84
Switching.....	42,087.1	5,818.1	44,996	2,087,363	43
Construction work.....	16,848.0	6,461.1	20,078	721,174	56
Mixed.....	16,116.3	4,462.3	18,348	620,166	59
Totals .....	647,464.3	97,251.2	696,089	20,746,073	67

Average cost at distributing point: Coal, \$4 85 per ton; wood, \$3 93 per cord.

## ACCIDENTS TO PERSONS—In California.

Kind of Accident.	Trainmen.		Switchmen, Flagmen, Watchmen.		Other Employés.		Total.	
	Killed .....	Injured .....	Killed .....	Injured .....	Killed .....	Injured .....	Killed .....	Injured .....
Coupling and uncoupling.....	1	78	3	54	1	15	5	147
Falling from trains and engines.....	6	19	1	7	—	2	7	28
Overhead obstructions.....	2	13	—	1	—	1	2	15
Collisions.....	2	21	—	8	—	6	2	35
Derailments.....	1	18	—	1	—	2	1	21
Other train accidents.....	1	20	—	—	1	11	2	31
At stations.....	—	37	—	2	1	3	1	42
Other causes.....	6	125	2	24	4	39	11	188
Totals.....	18	331	6	97	7	79	31	507

Kind of Accident.	Passengers.		Others.					
			Trespassing.		Not Trespassing.		Total.	
	Killed .....	Injured .....	Killed .....	Injured .....	Killed .....	Injured .....	Killed .....	Injured .....
Collisions.....	—	17	1	—	—	6	1	6
Derailments.....	2	49	—	—	4	14	4	14
Other train accidents.....	—	7	—	2	1	2	1	4
At highway crossings.....	—	—	—	—	7	18	7	18
At stations.....	—	31	1	24	1	6	2	30
Other causes.....	8	70	82	108	—	8	82	116
Totals.....	10	174	84	134	13	54	97	188

## CHARACTERISTICS OF ROAD.

(Reported by lessor companies.)

## CAR MILEAGE.

*List of Individuals, Coöperative Fast Freight Lines, and Stock Companies, to which the Company Making this Report Pays Mileage for the Use of Cars.*

Abernathy Furniture Co.	Jacob Dold Packing Co.
American Refrigerator Transit Co.	Kansas City Dressed Beef Line.
American Brewing Co.	Kansas City Manufacturers' Despatch.
Armour Car Lines.	Kingan Refrigerator Line.
Arms Palace Horse Car Co.	Libby, McNeill & Libby.
Atlanta Stone, Coal, and Lumber Co. Lines.	Lipton Refrigerator Line.
Bear Creek Refining Co.	Live Poultry Transportation Co.
Blue Line.	Merchants' Despatch Transportation Co.
Boyd, Lunham & Co.	Merchants and Planters' Oil Co.
California Fruit Express.	Morris & Co. Refrigerator Line.
California Fruit Transportation Co.	National Despatch Line.
Canadian Pacific Despatch.	National Fruit Despatch.
Canda Cattle Car Co.	National Linseed Oil Co.
Canada Southern Line.	National Rolling Stock Co.
Carnegie Steel Co.	New England Car Co.
Central Equipment Co.	New York Despatch Refrigerator Line.
Chicago Refrigerator Car Line.	Pacific Coast Oil Co.
Gorle Oatmeal Co.	Peavey Grain Line.
Climax Gasoline Co.	Pullman's Palace Car Co.
Continental Fruit Express.	Red Line.
Cottolene Refrigerator Line.	San Francisco Breweries' Car and Transportation Co. (Limited).
Cudahy Refrigerator Line.	St. Charles Car Co.
Cudahy Milwaukee Refrigerator Line.	St. Louis Refrigerator Car Co.
Commerce Despatch Line.	Southern Iron Car Line.
Eagle Consolidated Tank Line.	Southwestern Millers' Despatch.
Empire Line.	Southern Despatch Lumber Line.
Erie Despatch.	Street's Western Stable Car Line.
Goodell Refrigerator Car Co.	Swift Refrigerator Line.
Hammond Refrigerator Line.	Texas & Pacific Coal Co.
Havens & Co.	Union Refrigerator Transit Co.
Healy Refrigerator Line.	Union Tank Line.
Hicks Stock Car Co.	Wagner Palace Car Co.
Independent Refining Co.	Waters-Pierce Oil Co.
International Fruit Dealers' Despatch.	Waverly Oil Co.
Interstate-Ventilated Refrig'r Car Line.	White Star Transportation Co.
International Oil Works.	

STATE OF CALIFORNIA, }  
City and County of San Francisco. } ss.

We, the undersigned, Chas. F. Crocker, Vice-President, and Geo. T. Klink, Secretary pro tem. of the Southern Pacific Company, on our oath do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said company in respect to each and every matter and thing therein set forth, to the best of our knowledge, information, and belief; and we further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all of the financial operations of said company during the period for which said return is made.

CHAS. F. CROCKER,  
Vice-President.

GEORGE T. KLINK,  
Secretary and Controller pro tem.

Subscribed and sworn to before me, this 26th day of February, 1896.

[SEAL.]

E. B. RYAN,  
Notary Public in San Francisco, Cal.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

TABLE No. 1.  
FINANCIAL STATEMENT—ENDING JUNE 30, 1896.

Companies.	Length of Road—Miles in State.	Cost of Construction, Including Buildings, Land, Fences, Tools, in Salaries, Etc.	Cost of Equipment.	Capital Stock Issued.	Funded Debt Issued and Now Outstanding.	Floating Debt.	Gross Earnings.	Operating Expenses.	Net Income from Operation.
{ Total mileage Pacific System. Mileage Pacific System in California. Total mileage operated by S. P. Co. (including ferry).	4,920.98						At. & Pac. Sys. { \$4,020,807 07 \$2,226,624 46	At. & Pac. Sys. { \$2,589,785 71 \$120,956,512 64	Pac. System. { \$11,269,811 82
	3,101.61	Reported by Lessor Co.'s.	Reported by Lessor Co.'s.	\$120,985,070 00	\$2,644,000 00	\$7,936,947 67			
	6,041.00								
Central Pacific Co. ....	\$	\$171,811,848 80	†	67,275,500 00	87,739,680 00	1,984,490 80	\$	\$	\$
Southern Pacific Railroad Co. of Cal. ....	\$	130,182,264 98	\$4,094,928 08	70,006,100 00	52,826,500 00	778,331 50	\$	\$	\$
California Pacific Railroad Co. ....	\$	19,882,093 24	†	12,000,000 00	6,825,500 00	170,055 00	\$	\$	\$
Northern Railway Co. ....	\$	24,766,776 88	†	12,886,000 00	9,907,000 00	47,663 41	\$	\$	\$
South Pacific Coast Railway Co. ....	\$	11,500,000 00	†	6,000,000 00	5,500,000 00		\$	\$	\$
Northern California Railroad Co. ....	\$	2,854,000 00	†	1,280,000 00	1,074,000 00		\$	\$	\$
Southern California Railroad Co. ....	493.18	25,291,292 87	506,787 58	6,752,000 00	12,287,534 78	2,301,439 50	\$2,164,508 23	\$1,882,854 58	\$282,153 65
Atlantic & Pacific Railroad Co. ....	242.37	165,390 20	†	†	†	†	882,585 82	869,213 88	13,371 94
San Francisco & North Pacific R. Co. ....	165.32	392,638 99	44,457 32	6,000,000 00	4,136,000 00	87,771 54	790,957 78	520,378 03	270,079 70
Carson & Colorado Railroad Co. ....	307.25	6,380,000 00	†	4,380,000 00	2,000,000 00	235,104 08	149,965 41	108,248 27	41,717 14
North Pacific Coast Railroad Co. ....	91.25	3,035,369 62	†	1,500,000 00	1,498,000 00	57,998 58	353,365 32	267,074 24	86,291 08
Pacific Coast Railway Co. ....	78.00	2,854,018 62	†	1,370,400 00	1,370,000 00	286,175 60	112,372 88	80,000 04	32,372 34
Nevada-California-Oregon R. R. Co. ....	79.00	67,503 78	1,924 26	2,200,000 00	None.	42,176 66	59,280 31	41,866 00	17,414 31
Fel River & Eureka Railroad Co. ....	25.00	635,334 17	89,472 03	480,000 00	478,000 00	11,264 86	92,317 55	42,027 49	50,290 08

# STATISTICS FROM RAILROAD COMPANY REPORTS.

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Nevada County Narrow Gauge.....	22.50	553,975 79	76,305 22	250,200 00	250,000 00	19,864 17	105,840 12	73,466 64	32,373 48
National City & Otay Railway Co.....	26.46	364,957 90	440,852 47	200,000 00	†	†	81,008 25	28,751 64	2,256 61
Colusa & Lake Railroad Co. ....	22.00	162,223 08	31,846 27	100,500 00	66,000 00	4,454 15	13,608 37	12,604 66	1,003 71
Arcata & Mad River Railroad Co. ....	18.50	164,950 24	2,900 00	187,740 00	None.	546 82	59,971 52	60,505 60	*584 08
Visalia Railroad Co. ....	8.00	167,616 97	†	100,000 00	None.	None.	15,564 37	11,516 00	4,048 37
Los Angeles & Redondo Railway Co.....	17.70	398,578 83	111,126 26	538,700 21	None.	61,980 20	64,334 05	51,385 74	12,948 31
San Diego, Cuyamaca & Eastern Ry. Co..	25.37	1,279,670 51	47,348 82	769,000 00	556,816 00	286,961 16	88,965 50	27,445 60	11,509 90
Los Angeles Terminal Railway Co.....	50.20	4,570,210 62	†	3,000,000 00	1,500,000 00	74,516 74	106,105 28	96,740 34	9,364 94
San Diego, Pacific Beach & La Jolla Ry. Co.	13.54	150,177 86	38,502 95	275,000 00	None.	14,145 46	12,624 77	16,348 77	*3,724 00
San Fran. & San Joaquin Valley Ry. Co..	131.70	1,304,702 24	193,858 82	6,000,000 00	None.	113,206 31	None.	None.	None.
Crescent City & Smith River R. R. Co..	16.35	274,962 35	38,864 70	None.	None.	None.	16,912 38	7,899 57	9,012 81
Pajaro Valjejo Railroad Co. ....	23.70	286,790 52	64,413 82	300,000 00	None.	None.	70,045 13	51,610 34	18,494 79
California Railway .....	6.00	85,791 47	44,147 11	500,000 00	None.	34,886 17	15,822 76	19,464 81	*4,141 55
Alameda & San Joaquin Railroad Co.....	36.10	386,474 02	31,936 86	500,000 00	None.	12,000 00	None.	None.	None.
Santa Ana & Newport Railway Co.....	12.10	282,000 00	21,617 98	20,000 00	250,000 00	8,239 26	62,444 43	37,664 88	24,779 55
Chino Valley Railroad Co. ....	10.00	80,000 00	†	None.	None.	None.	1,500 00	†	†
The Pacific Lumber Co. ....	7.00	183,000 00	72,000 00	None.	None.	None.	4,994 56	7,989 81	*3,055 25
Iron Mountain Railway Co.....	†	†	†	100,000 00	†	†	†	†	†
Gualala River Railway Co.....	12.00	†	†	500,000 00	†	†	†	†	†
Yreka Railroad Co. ....	7.50	108,556 36	15,510 75	99,075 00	48,902 57	3,902 57	14,286 22	8,389 13	5,897 09
Visalia & Tulare Railroad Co.....	11.50	95,268 28	21,150 78	60,000 00	50,000 00	23,678 77	8,991 50	6,900 58	2,090 92
Railroad mileage of California.....	5,061.20	\$409,173,438 94	\$5,994,952 08	\$326,635,285 21	\$190,507,033 35	\$14,567,725 98	\$41,495,238 49	\$27,826,943 69	\$12,197,222 54

† Not reported. † Included in construction. § Reported by Southern Pacific Company, lessee.

\* Deficit. † This item is exclusive of rentals, taxes, and interest.

## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

TABLE No. 2.—TRAFFIC STATEMENT—ENDING JUNE 30, 1896.

Companies.	Total Number of Passengers Carried.	Average Rate of Fare per Mile, in Cents.	Total Tons of Freight Hauled.	Average Rate of Freight per Ton per Mile, in Cents.	Total Miles Run by Passenger Trains.	Total Miles Run by Freight Trains.	Total Miles Run by Mixed Trains.	Total Train Mileage.
Southern Pacific Co. (Pacific System) .....	19,164,185	.0193	6,653,336	.0176	8,095,942	9,755,928	673,498	18,524,768
Central Pacific Railroad Co. ....	§	§	§	§	§	§	§	§
Southern Pacific Railroad Co. of California .....	§	§	§	§	§	§	§	§
California Pacific Railroad Co. ....	§	§	§	§	§	§	§	§
Northern Railway Co. ....	§	§	§	§	§	§	§	§
Northern California Railway Co. ....	§	§	§	§	§	§	§	§
South Pacific Coast Railway Co. ....	775,763	.03886	569,972	.02493	925,877	886,826	111,927	1,434,530
Southern California Railway Co. ....	82,909	.02993	315,473	.00947	301,514	382,253	None.	683,767
Atlantic & Pacific Railway Co. ....	894,502	.02030	153,745	.04496	254,472	82,730	45,817	883,019
San Francisco & North Pacific Railroad Co. ....	8,161	.0617	17,725	.0375	None.	5,966	138,309	144,295
Carson & Colorado Railroad Co. ....	1,167,427	.01276	74,798	.03828	222,402	86,215	None.	308,617
North Pacific Coast Railroad Co. ....	34,155	.01176	47,280	.05017	193,399	269,357	None.	462,756
Pacific Coast Railway Co. ....	§	§	§	§	§	§	§	§
Los Angeles & Pacific Railroad Co. ....	4,600	.04457	16,464	.03746	None.	None.	53,070	53,070
Nevada-California-Oregon Railroad Co. ....	32,811	.0419	71,653	.0533	None.	None.	54,600	54,600
El River & Eureka Railroad Co. ....	45,480	.06960	26,464	.11986	27,312	None.	97,244	74,796
Nevada County Narrow Gauge Railroad Co. ....	97,069	.07090	1,653	§	27,088	1,800	14,617	43,556
National City & Otay Railway Co. ....	7,757	.07000	6,653	§	None.	1,800	19,200	21,100
Colusa & Lake Railroad Co. ....	24,752	.0625	8,475	.11	None.	None.	24,752	24,752
Alcala & Mad River Railroad Co. ....	14,616	.0625	8,475	.11	None.	None.	11,534	11,534
Visalia Railroad Co. ....	12,918	.0625	3,690	.161	None.	None.	None.	None.
Visalia & Tulare Railroad Co. ....	13,463	.01594	22,492	.0784	25,185	21,436	None.	25,185
Los Angeles & Redondo & Eastern Co. ....	77,382	.02260	40,324	.0784	40,824	21,436	None.	62,260
Los Angeles City & Harbor Railway Co. ....	41,403	.02260	14,587	.07161	6,249	None.	32,028	38,277
Sierra Valley & Mohawk Railroad Co. ....	§	§	§	§	§	§	§	§
Los Angeles Terminal Railway Co. ....	163,666	.01738	46,304	.07123	93,000	14,265	43,608	150,873
San Diego, Pacific Beach & La Jolla Railway Co. ....	57,909	.01682	1,932	.13259	None.	None.	32,620	32,620
San Francisco & San Joaquin Valley Railway Co. ....	None.	None.	None.	None.	None.	None.	None.	None.
Prescott City & Smith River Railroad Co. ....	2,756	§	1,273	§	§	§	§	§
Pajaro Valley Railroad Co. ....	§	§	10,915	§	§	§	§	§
California Railway .....	§	§	§	§	§	§	§	§
Alameda & San Joaquin Railroad Co. ....	None.	None.	None.	None.	None.	None.	None.	None.
Santa Ana & Newport Railway Co. ....	12,564	.01796	62,520	.04697	§	§	§	§
Chino Valley Railroad Co. ....	§	§	40,000	§	§	§	§	§
The Pacific Lumber Co. ....	§	§	§	§	§	§	§	§
Iron Mountain Railway Co. ....	§	§	§	§	§	§	§	§
Gualala River Railway Co. ....	§	§	§	§	§	§	§	§
Totals .....	22,710,198	§	8,173,671	§	10,193,464	11,018,046	1,322,924	22,534,335

Not reported. § Reported by Southern Pacific Company, lessee.

TABLE No. 3.

COMMODITY STATEMENT—ENDING JUNE 30, 1896

Companies.	Grain.		Flour.		Hay.		Fruits and Vegetables.		Live Stock.		Hides and Leather.	
	Tons.	%	Tons.	%	Tons.	%	Tons.	%	Tons.	%	Tons.	%
Southern Pacific Co. (Pacific System).....	794,862	11.85	105,892	1.59	187,989	2.83	420,306	6.32	298,149	4.48	21,323	0.32
Central Pacific Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Southern Pacific Railroad Co. of California.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
California Pacific Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Northern Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
South Pacific Coast Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Northern California Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Southern California Railway Co.....	50,214	8.81	7,500	1.32	8,825	1.72	91,007	16.49	7,428	1.30	472	0.08
Atlantic & Pacific Railroad Co.....	2,606	0.83	2,662	0.84	2,249	0.73	73,142	23.19	6,095	1.93	309	0.10
San Francisco & North Pacific Railroad Co.....	8,599	5.59	2,658	1.73	3,915	2.55	8,429	5.48	5,235	8.40	458	0.29
Carson & Colorado Railroad Co.....	553	3.12	234	1.32	673	3.80	1,359	7.79	1,787	10.08	None.	.....
North Pacific Coast Railroad Co.....	301	0.40	25	0.03	576	0.77	2,714	3.63	2,248	3.01	None.	.....
Pacific Coast Railway Co.....	10,284	21.71	593	1.25	100	0.21	1,319	2.80	1,361	2.88	143	0.30
Los Angeles & Pacific Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nevada-California-Oregon Railroad Co.....	630	3.83	130	0.79	11	0.07	776	4.72	7,377	44.81	31	0.19
El River & Eureka Railroad Co.....	780	.....	.....	.....	896	.....	1,350	.....	33	.....	.....	.....
Nevada County Narrow Gauge.....	5,119	19.34	.....	.....	1,633	6.17	521	1.97	99	0.58	162	0.61
National City & Otay Railway Co.....	Not reported.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Colusa & Lake Railroad Co.....	5,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Arcata & Mad River Railroad Co.....	690	10.66	528	8.00	.....	.....	259	4.00	.....	.....	112	1.68
Visalia Railroad Co.....	309	.....	87	.....	180	.....	.....	.....	1,560	.....	20	.....
Yreka Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Visalia & Tulare Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
San Diego, Chumacaca & Eastern Railway Co.....	286	1.91	290	1.99	1,817	12.46	2,556	17.55	3	0.02	.....	.....
Los Angeles & Redondo Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Los Angeles Terminal Railway Co.....	1,275	2.75	280	0.60	739	1.59	3,993	8.63	111	0.24	5	0.01
San Diego, Pacific Beach & La Jolla Ry. Co.....	204	10.45	13	0.66	568	29.09	72	3.69	8	0.41	.....	.....
San Francisco & San Joaquin Valley Ry. Co.....	Not in operation.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals.....	881,692	101.35	120,892	20.12	210,221	61.99	610,798	106.26	331,492	72.94	23,055	3.56

§ Reported by Southern Pacific Company, lessee.



## REPORT OF BOARD OF RAILROAD COMMISSIONERS.

TABLE No. 3—Continued.

Companies.	Wool.		Coal.		Products of Forest.		Wine.		Petroleum and Other Oils.		Merchandise.		Total Freight.
	Tons.	%	Tons.	%	Tons.	%	Tons.	%	Tons.	%	Tons.	%	
Southern Pacific Co. (Pacific System).....	23,421	0.35	225,081	3.38	673,246	10.11	175,493	2.64	121,706	1.83	969,096	14.57	6,653,396
Central Pacific Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Southern Pacific Railroad Co. of Cal.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
California Pacific Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Northern Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
South Pacific Coast Railway Co.....	1,276	0.22	60,747	10.66	103,688	18.72	6,412	1.13	23,419	4.11	46,162	8.10	569,972
Northern California Railway Co.....	1,144	0.36	49,874	15.81	15,901	5.04	8,174	2.69	14,462	4.58	46,598	14.77	315,473
Atlantic & Pacific Railroad Co.....	1,567	0.37	None	None	38,460	25.02	28,648	17.34	1,392	0.91	4,546	2.96	153,745
San Francisco & North Pacific R. Co.....	211	1.18	42	0.23	1,788	9.97	None	.....	None	.....	3,883	21.90	17,725
Carson & Colorado Railroad Co.....	None	.....	None	.....	35,391	47.36	192	0.26	None	.....	None	.....	74,798
North Pacific Coast Railroad Co.....	None	.....	516	1.09	7,908	16.09	None	.....	None	.....	11,554	24.44	47,280
Pacific Coast Railway Co.....	106	0.21	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Los Angeles & Pacific Railway Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nevada-California-Oregon R. Co.....	402	2.44	14	0.09	3,272	19.87	228	1.39	146	0.89	1,151	6.99	16,464
Eel River & Eureka Railroad Co.....	207	.....	.....	.....	54,643	.....	.....	.....	760	2.87	5,143	.....	71,843
Nevada County Narrow Gauge.....	.....	.....	360	1.36	5,070	19.17	.....	.....	.....	.....	8,693	32.85	26,464
National City & Otay Railway Co.....	Not reported.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Colusa & Lake Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Arcata & Mad River Railroad Co.....	56	0.83	.....	.....	.....	.....	267	.....	107	1.66	4,546	70.25	6,475
Visalia Railroad Co.....	.....	.....	98	.....	316	.....	.....	.....	81	.....	3,720	.....	8,756
Yreka Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,690
Visalia & Tulare Railroad Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	944
San Diego, Chuyamaca & Eastern Ry. Co.....	.....	.....	85	0.58	3,587	24.59	186	1.28	141	0.97	1,642	11.26	14,587
Los Angeles & Redondo Railway Co.....	.....	.....	.....	.....	12,979	57.70	.....	.....	.....	.....	8,513	43.30	23,492
Los Angeles Terminal Railway Co.....	.....	.....	2,573	5.66	24,974	62.58	97	0.21	375	0.81	2,324	5.02	46,304
San Diego, Pac. Beach & La Jolla Ry. Co.....	67	0.15	41	2.10	386	19.62	1	0.05	25	1.21	71	3.63	1,952
S. F. & San Joaquin Valley Ry. Co.....	Not in operation.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals.....	27,457	6.11	339,431	.....	988,289	.....	217,698	.....	162,614	.....	1,118,642	.....	8,052,200

§ Reported by Southern Pacific Company, lessee.

TABLE No. 4.  
SHOWING CONSUMPTION OF FUEL AND COST, BY LOCOMOTIVES—ENDING JUNE 30, 1896.

Companies.	Coal—Tons.	Cost per Ton.	Wood—Cords.	Cost per Cord.	Total Fuel Consumed, In Tons.	Total Cost of Fuel.	Average Pounds Consumed per Mile.
Southern Pacific Co. (Pacific System).....	661,268	\$4 72 coal. 01.86 per gal.	95,275	\$3 68	709,933	\$3,519,876 99	66.00
Central Pacific Railroad Co. ....	205,411 gals. oil.						
Southern Pacific Railroad of California .....							
California Pacific Railroad Co. ....							
Northern Railway Co. ....							
South Pacific Coast Railway Co. ....							
Northern California Railway Co. ....	65,046	\$5 74	35,2-8	\$4 31	65,069	\$361,562 84	69 31
Atlantic & Pacific Railroad Co. ....	44,028	1 52	434		44,245	67,896 06	99 11
San Francisco & North Pacific Railroad Co. ....	2,539		9,606		7,342	55,303 04	32.74
Carson & Colorado Railroad Co. ....			3,229		2,152	34,518 10	
North Pacific Coast Railway Co. ....	1,866	5 88	7,105	2 69	6,419	29,271 84	33 98
Pacific Coast Railway Co. ....	1,003	5 16	1,522	4 70	2,018	12,333 14	38.29
Los Angeles & Pacific Railway Co. ....			2,657	3 50	5,314	9,900 00	14.3
Nevada County Narrow Gauge .....	Not reported.		300	4 00	200	1,200 00	18.9
National City & Ohio Railway Co. ....			1,280	{ Pine, \$3 25 Redwood, 1 75 }	640	2,164 50	108.6
Colusa & Lake Railroad Co. ....							
Arcata & Mad River Railroad Co. ....			425	\$4 00	200	1,400 00	34.68
Visalia Railroad Co. ....			360	\$3 50		1,260 00	
Yreka Railroad Co. ....			327 bbls. oil.	\$1 09 per bbl.		4,033 24	gals. per mile, 2.41
Visalia & Tulare Railroad Co. ....	80	8 00	{ 21 cords. 1,431 bbls. oil.	{ 3 55 per bbl. 36 7.10 per bbl.	562	5,260 26	40.26
Los Angeles & Redondo Railway Co. ....	551	6 95	1,146	\$3 38	920	5,548 40	30.23 gals.
San Diego, Cuyamaca & Eastern Railway Co. ....	382	7 78	1,440	\$8 25	720	1,245 25	26.37
Nevada & California & Oregon Railway Co. ....			19,820 gals. oil.			12,296 48	4.89 gals.
Del River & Eureka Railroad Co. ....	443		600	68	443	3,069 55	27.21
Los Angeles Terminal Railway Co. ....						408 32	
San Diego, Pacific Beach & La Jolla Ry. Co. ....						4,280 04	
Drescent City & Smith River Railroad Co. ....						3,433 03	
Pajaro Valley Railway .....							
California Railway .....	490	6 40					
Alameda & San Joaquin Railroad Co. ....	Not reported.	8 00					
Santa Ana & Newport Railway Co. ....	367		1,750 bbls. oil.	\$0 75 per bbl.		4,229 61	
	Coal, 778,043 tons. Oil, 205,411 gals.		152,048%		839,863 5,314	\$4,141,740 89	
					845,177		

§ Reported by Southern Pacific Company, lessee.

TABLE No. 5.  
STATEMENT OF WAGES AND NUMBER OF EMPLOYÉS—ENDING JUNE 30, 1896.

Companies.	General Officers.	General Office Clerks.	Station Agents.	Engineers.	Firemen.	Conductors.	Brakemen and Other Trainmen.	Machinists.
Southern Pacific Co. (Pacific System).....	66	541	543	676	721	378	854	382
Central Pacific Railroad Co. ....	1	1	1	1	1	1	1	1
Southern Pacific Railroad Co. of California.....	1	1	1	1	1	1	1	1
California Pacific Railroad Co. ....	1	1	1	1	1	1	1	1
Northern Pacific Railroad Co. ....	1	1	1	1	1	1	1	1
South Pacific Coast Railway Co. ....	1	1	1	1	1	1	1	1
Northern California Railway Co. ....	1	1	1	1	1	1	1	1
Southern California Railway Co. ....	1	1	1	1	1	1	1	1
Atlantic & Pacific Railroad Co. ....	5	39	5	34	36	22	44	73
San Francisco & North Pacific Railroad Co. ....	4	17	47	12	12	11	14	17
North Pacific Coast Railroad Co.†.....	5	3	38	12	13	10	15	20
North Pacific Coast Railway Co. ....	4	5	15	2	2	2	5	1
Pacific Coast Railway Co. ....	2	2	3	1	1	2	1	1
Yreka Railroad Co. ....	2	2	3	2	2	2	6	1
Nevada-California-Oregon Railroad Co. ....	3	1	11	2	2	2	6	1
Kel River & Eureka Railroad Co. ....	4	1	10	2	2	2	6	1
Nevada County Narrow Gauge Railroad Co. ....	4	1	10	2	2	2	6	1
National City & Otay Railway Co.†.....	4	1	10	2	2	2	6	1
Colusa & Lake Railroad Co. ....	4	1	10	2	2	2	6	1
Arresta & Mad River Railroad Co. ....	4	1	10	2	2	2	6	1
Visalia Railroad Co. ....	5	3	4	3	1	1	1	0
Visalia & Tulare Railroad Co. ....	3	0	2	3	3	1	1	0
Los Angeles & Redondo Railway Co. ....	0	0	1	1	0	1	0	0
San Diego, Cuyamaca & Eastern Railway Co. ....	4	2	8	3	3	2	3	2
Los Angeles Terminal Railway Co. ....	4	1	8	2	2	2	3	0
San Diego, Pacific Beach & La Jolla Railway Co. ....	4	4	13	8	6	1	5	3
San Francisco & San Joaquin Valley Railway Co.†.....	4	1	0	0	1	1	0	0
Crescent City & Smith River Railway Co.†.....	4	1	0	0	1	1	0	0
Pajaro Valley Railway Co. ....	4	1	0	0	1	1	0	0
California Railway Co. ....	2	2	8	1	1	1	1	0
Alameda & San Joaquin Valley Railway Co.†.....	2	2	3	3	2	1	1	2
Santa Ana & Newport Railway Co. ....	5	0	0	3	0	0	2	0
Chino Valley Railway Co. ....	5	0	0	3	0	0	2	0
Pacific Lumber Co.†.....	5	0	0	3	0	0	2	0
Iron Mountain Railway Co.†.....	5	0	0	3	0	0	2	0
Gualala River Railway Co.†.....	5	0	0	3	0	0	2	0
Totals.....	138	688	827	816	861	477	1,040	505

§ Reported by Southern Pacific Company, lessee. † Not reported.

TABLE No. 5—Continued.

Companies.	Carpenters.	Shopmen, Section Foremen, Trackmen, Switchmen, Flagmen, Watchmen.	Telegraph Operators.	Laborers.	Total Yearly Compensa- tion of Employees.	Number of Employees.	Daily Aver- age Com- pensation.
Southern Pacific Co. (Pacific System)	748	8,351	240	1,091	\$12,892,261.81	16,184	\$2.54
Central Pacific Railroad Co.							
Southern Pacific Railroad Co. of California							
California Pacific Railroad Co.							
Northern Pacific Co.							
South Pacific Coast Railway Co.							
Northern California Railway Co.	97	863	116		1,020,019.00	1,284	2.82
Southern California Railway Co.	27	233	12		507,449.65	693	2.21
Atlantic & Pacific Railroad Co.	63	112	1	48	298,876.20	381	2.31
San Francisco & North Pacific Railroad Co.							
Carson & Colorado Railroad Co.†							
North Pacific Coast Railway Co.	23	99	1	33	144,509.45	259	2.02
Pacific Coast Railway Co.	19	43	2	11	54,118.36	111	1.96
Yreka Railroad Co.							
Nevada-California-Oregon Railroad Co.							
Eel River & Eureka Railroad Co.	2	14		2	3,720.30	6	2.00
Nevada County Narrow Gauge Railroad Co.	1	16		6	26,433.95	34	2.37
National City & Otay Railway Co.†	6	30		1	84,031.07	50	2.50
Colusa & Lake Railroad Co.					46,323.24	63	2.47
Aracata & Mad River Railroad Co.							
Visalia Railroad Co.	2	15	4	10	8,990.00	22	1.45
Visalia & Tulare Railroad Co.	0	5		4	45,961.75	43	8.00
Los Angeles & Redondo Railway Co.	0	1	0	2	7,318.00	14	3.00
San Diego, Cuyamaca & Eastern Railway Co.	5	16	0	0	3,959.20	4	2.14
Los Angeles Terminal Railway Co.	2	9	0	4	82,657.52	51	2.81
San Diego, Pacific Beach & La Jolla Railway Co.	7	20	0	53	17,610.31	86	1.97
San Francisco & San Joaquin Valley Railway Co.†	0	4	0	0	64,321.38	75	2.43
Crescent City & Smith River Railway Co.†					9,012.90	12	2.12
Pajaro Valley Railway Co.†							
California Railway Co.							
Alameda & San Joaquin Railway Co.†	0	0	0	0	7,748.36	16	2.50
Santa Ana & Newport Railway Co.	8	23	0	0	23,329.24	47	2.35
Chino Valley Railway Co.	0	0	0	0	2,500.00	17	2.50
Pacific Lumber Co.†							
Iron Mountain Railway Co.†							
Gualala River Railway Co.†							
Totals	1,015	9,355	272	1,519	\$15,298,163.69	19,452	*\$2.14†

§ Reported by Southern Pacific Company, lessee. † Not reported. \*\$2.14† average daily compensation employees in State.

TABLE No. 6.  
STATEMENT OF EQUIPMENT—ENDING JUNE 30, 1898.

Companies.	No. of Locomotives Operated.	No. of Passenger Cars Operated.	No. of Freight Cars Operated.	No. of Flat Freight Cars Operated.	No. of Work Cars, Etc., in Company's Service.	Total No. of Cars, Etc., in Service.
Southern Pacific Co. (Pacific System)	729	964	9,406	4,019	628	16,241
Central Pacific Railroad Co.	25	18	38	37	64	282
Southern Pacific Railroad Co. of California	117	34	150	437	1,131	2,160
California Pacific Railroad Co.	17	64	134	265		665
Northern Railway Co.	8	8	54	94		196
South Pacific Coast Railway Co.	12	60	43	284		391
Northern California Railway Co.	6	10	23	154		222
Southern California Railway Co.	1	1	1	2		7
Atlantic & Pacific Railroad Co.	4	7	11	6		69
San Francisco & North Pacific Railroad Co.	3	9	10	28		147
Carson & Colorado Railroad Co.	3	5	21	23		58
North Pacific Coast Railway Co.	6	10	4	81		45
Pacific Coast Railway Co.	3	4	4	20		29
Yreka Railroad Co.	3	2	4	160		190
Nevada-California-Oregon Railroad Co.	2	3				5
El River & Eureka Railroad Co.	2	22	16	33	6	77
Nevada County Narrow Gauge	2	6	8	23	3	39
National City & Owy Railway Co.	3	26	34	74	38	114
Colusa & Lake Railroad Co.	3	8	1	4		13
Alameda & Lake Railroad Co.	3	None.	50	250	8	303
Visalia Railroad Co.	2	1	2	None.	73	77
Yisalia & Tuare Railroad Co.	3	1	16	19	126	162
Los Angeles & Redondo Railway Co.	2	4		16		20
San Diego, Chynawack & Eastern Railway Co.	2			40	26	64
San Diego Terminal Railway Co.	3	5	2	10	6	28
San Diego, Pacific Beach & La Jolla Railway Co.	2	3		7		10
San Francisco & San Joaquin Valley Railway Co.	3	1		6		82
Prescott City & Smith River Railroad Co.	2	1				32
California Valley Railway Co.	2	4				
Alameda & San Joaquin Railroad Co.	1					
Santa Ana & Newport Railroad Co.	3	5	2			
Chino Valley Railroad Co.	2	3				
The Pacific Lumber Co.	2	1	5			
Iron Mountain Railway Co.	2					
Gualala River Railway Co.	1					
Totals	983	1,244	10,037	6,107	2,889	21,629

1 Not reported. § Reported by Southern Pacific Company, lessee.

TABLE No. 7.

## INCREASE AND DECREASE OF EARNINGS.

Companies.	Net Earnings from Operation Ending June 30, 1896.	Net Earnings from Operation Ending June 30, 1895.	Net Earnings from Operation Ending June 30, 1894.
Southern Pacific Co. (Pacific System) ..	†\$11,269,811 82	†\$10,307,645 31	†\$12,675,861 64
Central Pacific Co. ....	\$	\$	\$
Southern Pacific R. R. Co. of California ..	\$	\$	\$
California Pacific Railroad Co. ....	\$	\$	\$
Northern Railway Co. ....	\$	\$	\$
South Pacific Coast Railway Co. ....	\$	\$	\$
Northern California Railroad Co. ....	\$	\$	\$
Southern California Railway Co. ....	282,153 65	303,338 82	430,587 89
Atlantic & Pacific Railroad Co. ....	13,371 94	19,694 54	25,735 55
San Francisco & North Pacific R. R. Co..	207,079 70	315,551 95	296,034 03
Carson & Colorado Railroad Co. ....	41,717 14	46,784 34	49,992 19
North Pacific Coast Railroad Co. ....	86,291 08	92,405 93	92,188 60
Pacific Coast Railway Co. ....	32,372 34	32,760 50	†
Nevada-California-Oregon R. R. Co. ....	17,414 81	18,551 04	18,824 98
El River & Eureka Railroad Co. ....	50,290 08	40,208 81	25,956 24
Nevada County Narrow Gauge .....	32,373 48	25,699 54	32,733 20
National City & Otay Railway Co. ....	2,256 61	*13,012 42	*1,559 59
Colusa & Lake Railroad Co. ....	1,003 71	6,130 63	6,485 41
Arcata & Mad River Railroad Co. ....	*534 08	*11,156 34	2,857 95
Visalia Railroad Co. ....	4,048 37	6,096 73	7,503 69
Yreka Railroad Co. ....	5,897 09	5,695 56	4,397 37
Visalia & Tulare Railroad Co. ....	2,090 92	2,836 97	953 83
Los Angeles & Redondo Railway Co. ....	12,948 31	*16,713 58	9,781 71
San Diego, Cuyamaca & Eastern Ry. Co..	11,509 90	7,224 23	14,598 91
Los Angeles Terminal Railway Co. ....	9,364 94	37,859 23	21,845 11
San Diego, Pac. Beach & La Jolla Ry. Co. ..	*3,724 00	9,921 91	†
Crescent City & Smith River R. R. Co. ....	9,012 81	8,791 73	†
Pajaro Valley Railroad Co. ....	18,434 79	37,678 21	†
California Railway .....	*4,141 55	†	†
Santa Ana & Newport Railway Co. ....	24,779 59	†	†
Pacific Lumber Co. ....	3,055 25	*1,107 25	-----

\* Deficit. † Not reported. \$ Reported by Southern Pacific Company, lessee.

† Operating expenses do not include rentals, taxes, and interest.

TABLE No. 8.

## ACCIDENTS TO PERSONS.

	Killed.	Injured.
Passengers .....	107	212
Employés .....	25	155
Totals .....	132	367

## LIST OF RAILROAD COMPANIES

THAT HAVE FILED ARTICLES OF INCORPORATION IN THE OFFICE OF SECRETARY OF STATE, FROM OCTOBER 19, 1894, TO SEPTEMBER 26, 1896.

Los Angeles, San Francisco & Salt Lake Railway Company. Filed October 19, 1894.

DIRECTORS.	
John M. C. Marble .....	Los Angeles, Cal.
Jefferson Chandler .....	Los Angeles, Cal.
Arthur Young .....	Chicago, Ill.
C. N. Stuart .....	Chicago, Ill.
Shirley C. Ward .....	Los Angeles, Cal.
C. W. Rogers .....	Los Angeles, Cal.
T. B. Burnett .....	Los Angeles, Cal.

Amador Railroad Company. Filed November 22, 1894.

DIRECTORS.	
Stephen H. Emmens .....	Amador City, Cal.
Newton W. Emmens .....	Amador City, Cal.
L. C. Haskin .....	Amador City, Cal.
W. F. Keeney .....	Amador City, Cal.
O. E. Martin .....	Amador City, Cal.

San Francisco & Los Angeles Railway Company. Filed December 21, 1894.

DIRECTORS.	
Frederick Homer .....	Berkeley, Cal.
William H. Martin .....	San Francisco, Cal.
W. H. C. Fowler .....	San Francisco, Cal.
A. Judson .....	San Francisco, Cal.
W. J. Behan .....	San Francisco, Cal.

San Diego, Pacific & Eastern Railway Company. Filed January 2, 1895.

DIRECTORS.	
H. L. Storey .....	San Diego, Cal.
E. V. Van Norman .....	San Diego, Cal.
Chas. L. Heartt .....	Los Angeles, Cal.
Geo. S. McCulloch .....	Los Angeles, Cal.
Joseph S. Bachman .....	San Diego, Cal.
John W. Cook .....	San Diego, Cal.
J. Roy Stearns .....	Tia Juana, Cal.
Geo. A. d'Homecourt .....	San Diego, Cal.
J. M. Dodge .....	San Diego, Cal.

Sierra Valley Railway Company. Filed January 5, 1895.

DIRECTORS.	
John M. Pratt .....	San Francisco, Cal.
James Elder .....	San Francisco, Cal.
John Flittie .....	San Francisco, Cal.
Fletcher F. Ryer .....	San Francisco, Cal.
William S. Kittle .....	San Francisco, Cal.

## Santa Clara Valley Railroad Company. Filed February 9, 1895.

## DIRECTORS.

Francis Smith .....	Santa Clara County, Cal.
Lewis A. Sage .....	Santa Clara County, Cal.
W. P. Henley .....	Santa Clara County, Cal.
H. R. Sterne .....	Santa Clara County, Cal.
W. O. Watson .....	Santa Clara County, Cal.

## San Francisco &amp; San Joaquin Valley Railroad Company. Filed February 26, 1895.

## DIRECTORS.

Claus Spreckels .....	San Francisco, Cal.
J. D. Spreckels .....	San Francisco, Cal.
W. F. Whittier .....	San Francisco, Cal.
J. B. Stetson .....	San Francisco, Cal.
Robert Watt .....	San Francisco, Cal.
A. H. Payson .....	San Mateo, Cal.
Chas. Holbrook .....	San Francisco, Cal.
Lewis Gerstle .....	San Francisco, Cal.
Alvinza Hayward .....	San Mateo, Cal.
Isaac Upham .....	San Francisco, Cal.
Thomas Magee .....	San Francisco, Cal.

## Santa Clara Valley Railway &amp; Navigation Company. Filed March 6, 1895.

## DIRECTORS.

Geo. F. Smith .....	Santa Clara County, Cal.
Lewis A. Sage .....	Santa Clara County, Cal.
W. P. Henley .....	Santa Clara County, Cal.
W. O. Watson .....	Santa Clara County, Cal.
V. Koch .....	Santa Clara County, Cal.

## Moraga Valley Railroad Company. Filed March 21, 1895.

## DIRECTORS.

Angus A. Grant .....	Albuquerque, New Mexico.
Archibald J. McDonald .....	San Francisco, Cal.
John T. Williams .....	Oakland, Cal.
John R. Grant .....	Los Angeles, Cal.
John A. Burton .....	San Francisco, Cal.

## Piedmont &amp; Mountain View Railway Company. Filed March 25, 1895.

## DIRECTORS.

Charles R. Bishop .....	San Francisco, Cal.
Ernest A. Heron .....	Oakland, Cal.
Samuel C. Bigelow .....	San Francisco, Cal.
John R. Spring .....	San Francisco, Cal.
Homer S. King .....	San Francisco, Cal.

## Los Angeles &amp; Santa Monica Railroad Company. Filed April 4, 1895.

## DIRECTORS.

C. B. Van Every .....	Los Angeles, Cal.
V. A. Raleigh .....	Los Angeles, Cal.
J. J. O'Brien .....	Los Angeles, Cal.
A. W. Eames .....	Los Angeles, Cal.
James P. Montgomery .....	Los Angeles, Cal.

## Alameda &amp; San Joaquin Railroad Company. Filed June 25, 1895.

## DIRECTORS.

John Treadwell .....	Oakland, Cal.
Robert D. Fry .....	San Francisco, Cal.
E. B. Pond .....	San Francisco, Cal.
J. Dalzell Brown .....	San Francisco, Cal.
Brodie M. Bradford .....	San Francisco, Cal.



Sacramento, Fair Oaks & Orange Vale Railroad Company. Filed July 12, 1895.

## DIRECTORS.

L. T. Hatfield .....	Sacramento, Cal.
Thomas B. Hall .....	Sacramento, Cal.
Fred. K. Cox .....	Sacramento, Cal.
William Schaw .....	Sacramento, Cal.
George M. Mott .....	Sacramento, Cal.

West Shore Railway Company. Filed July 12, 1895.

## DIRECTORS.

C. M. Sanger .....	San Leandro, Cal.
Behrend Joost .....	San Francisco, Cal.
R. S. Thornton .....	Colma, Cal.
John W. Eisenbuth .....	San Francisco, Cal.
Louis F. Dunand .....	San Rafael, Cal.

Iron Mountain Railway Company. Filed July 17, 1895.

## DIRECTORS.

Louis B. Parrott .....	San Francisco, Cal.
Chas. P. Eells .....	San Francisco, Cal.
M. M. O'Shaughnessy .....	San Francisco, Cal.
Alfred Fellows .....	Newcastle-on-Tyne, England.
Charles W. Fielding .....	London, England.

Shore Line Bicycle Railway Company. Filed July 29, 1895.

## DIRECTORS.

J. W. McClung .....	San Francisco, Cal.
George P. Adams .....	Los Angeles, Cal.
Thos. W. Nowlin .....	San Francisco, Cal.
W. A. Kirkwood .....	San Francisco, Cal.
James E. Ball .....	San Francisco, Cal.

Santa Clara Valley Railway Company. Filed August 26, 1895.

## DIRECTORS.

Andrew Rocca .....	Great Western Mine, Cal.
H. W. Goodall .....	San Francisco, Cal.
H. P. Thayer .....	San José, Cal.
Frank Piper .....	San Francisco, Cal.
R. J. R. Aden .....	Vallejo, Cal.
Alfred E. Pryor .....	San Francisco, Cal.
Charles A. Shurtleff .....	San Francisco, Cal.

Humboldt Telephone Company. Filed September 2, 1895.

## DIRECTORS.

H. H. Moller .....	Ferndale, Cal.
Chas. A. Eastman .....	Fortuna, Cal.
G. C. Barber .....	Grizzly Bluff, Cal.
Geo. M. Brice .....	Ferndale, Cal.
Frank W. Luther .....	Alton, Cal.

Fruitvale Railway. Filed October 3, 1895.

## DIRECTORS.

Chas. R. Bishop .....	San Francisco, Cal.
A. H. Clough .....	Oakland, Cal.
W. H. Rank .....	Brooklyn, Cal.
Geo. H. Mastick .....	Alameda, Cal.
T. F. Scanlan .....	Oakland, Cal.

## Mount Lowe Railway Company. Filed October 30, 1895.

DIRECTORS.	
Thad. S. C. Lowe .....	Pasadena, Cal.
Leon P. Lowe .....	Pasadena, Cal.
Thaddeus Lowe .....	Altadena, Cal.
Herbert C. Brown .....	Pasadena, Cal.
Sobieski Lowe .....	Pasadena, Cal.

## Pasadena &amp; Altadena Railway Company. Filed October 30, 1895.

DIRECTORS.	
Thad. S. C. Lowe .....	Pasadena, Cal.
Leon P. Lowe .....	Pasadena, Cal.
Thad. Lowe .....	Pasadena, Cal.
Herbert C. Brown .....	Pasadena, Cal.
L. A. Lowe .....	Pasadena, Cal.

## Elsinore, Pomona &amp; Los Angeles Railway Company. Filed December 6, 1895.

DIRECTORS.	
W. G. Holterhoff, Jr. ....	Los Angeles, Cal.
H. C. Whitehead .....	Los Angeles, Cal.
James Hill .....	Elsinore, Cal.
N. C. Hudson .....	South Riverside, Cal.
K. H. Wade .....	Los Angeles, Cal.

## The Clear Lake Power Company. Filed January 2, 1896.

DIRECTORS.	
Ferdinand Formhals .....	San Francisco, Cal.
J. H. Culver .....	San Francisco, Cal.
Wm. C. McGeorge .....	San Francisco, Cal.
George T. Ruddock .....	San Francisco, Cal.
E. O. Blethen .....	San Francisco, Cal.

## The Eureka &amp; Klamath River Railroad Company. Filed January 6, 1896.

DIRECTORS.	
E. H. Vance .....	Eureka, Cal.
S. A. Vance .....	Eureka, Cal.
Elizabeth Vance .....	Eureka, Cal.
Effie S. Vance .....	Eureka, Cal.
H. W. Wandesforde .....	Eureka, Cal.

## Mill Valley &amp; Mount Tamalpais Scenic Railway. Filed January 16, 1896.

DIRECTORS.	
Wm. C. B. de Fremery .....	Oakland, Cal.
Cornelius Toohey .....	Marin County, Cal.
Arthur A. Martin .....	San Francisco, Cal.
Wm. C. Savage .....	Marin County, Cal.
Charles E. Green .....	San Francisco, Cal.
David McKay .....	San Francisco, Cal.
Sidney B. Cushing .....	San Rafael, Cal.

## Southern California &amp; Salt Lake Railroad Company. Filed January 24, 1896.

DIRECTORS.	
Wm. H. Carlson .....	San Diego, Cal.
J. K. Clark .....	Butte City, Mont.
J. M. Metcalf .....	Omaha, Neb.
A. B. Hotchkiss .....	Los Angeles, Cal.
D. C. Reed .....	San Diego, Cal.

Oakland & Livermore Valley Railway Company. Filed February 26, 1896.

DIRECTORS.	
E. P. Vandercook.....	Oakland, Cal.
George D. Metcalf.....	Berkeley, Cal.
A. D. Wilson.....	Brooklyn, Cal.
H. H. Pitcher.....	Livermore, Cal.
Rod W. Church.....	Oakland, Cal.

The Yosemite Valley & Merced Railway Company. Filed March 9, 1896.

DIRECTORS.	
James B. Stetson.....	San Francisco, Cal.
John D. Spreckels.....	San Francisco, Cal.
O. D. Baldwin.....	San Francisco, Cal.
Robert Oxnard.....	San Francisco, Cal.
James Cross.....	San Francisco, Cal.
A. L. Stetson.....	San Francisco, Cal.
G. A. Wulkop.....	San Francisco, Cal.

Sacramento Electric, Gas, and Railway Company. Filed April 4, 1896.

DIRECTORS.	
J. W. Hall.....	Sacramento, Cal.
L. T. Hatfield.....	Sacramento, Cal.
Albert Gallatin, Jr.....	San Francisco, Cal.
L. P. Drexler.....	San Francisco, Cal.
Charles R. Lloyd.....	Oakland, Cal.

McCloud Valley Railroad Company. Filed April 8, 1896.

DIRECTORS.	
James Palmer.....	New York, N. Y.
Samuel Leavitt.....	Boston, Mass.
John A. Davis.....	Castle Crag, Cal.
David E. Miles.....	Castle Crag, Cal.
Wm. J. Branstetter.....	Dunsmuir, Cal.

Citizens' Traction Company. Filed April 16, 1896.

DIRECTORS.	
G. B. Kerper.....	Cincinnati, Ohio.
C. W. Foote.....	San Diego, Cal.
G. C. Arnold.....	San Diego, Cal.
J. E. O'Brien.....	San Diego, Cal.
J. B. Mannix.....	San Diego, Cal.

San Jacinto, Lake View & Northern Railway Company. Filed May 11, 1896.

DIRECTORS.	
K. H. Wade.....	Los Angeles, Cal.
F. B. Henderson.....	Los Angeles, Cal.
Wm. J. Hunsaker.....	Los Angeles, Cal.
G. A. Davidson, Jr.....	Los Angeles, Cal.
John J. Byrne.....	Los Angeles, Cal.

San Francisco & San Mateo Electric Railway Company. Filed May 19, 1896.

DIRECTORS.	
John D. Spreckels.....	San Francisco, Cal.
Adolph B. Spreckels.....	San Francisco, Cal.
Nicholas Ohlandt.....	San Francisco, Cal.
John A. Buck.....	San Francisco, Cal.
Walter D. K. Gibson.....	Fruitvale, Cal.

## Sierra Pacific Railway Co. Filed September 3, 1896.

## DIRECTORS.

B. F. Langford .....	San Joaquin County, Cal.
P. A. Buell .....	Stockton, Cal.
W. A. Shippee .....	Avon, Cal.
B. W. Moore .....	Stockton, Cal.
George A. Brown, Jr. ....	Stockton, Cal.
D. A. Robertson .....	Stockton, Cal.
M. J. Gardner .....	Stockton, Cal.

## Bear Harbor &amp; Eel River Railroad Company. Filed September 8, 1896.

## DIRECTORS.

James Hunter .....	Vallejo, Cal.
Thomas Pollard .....	San Francisco, Cal.
E. J. Dodge .....	Alameda, Cal.
Calvin Stewart .....	Fort Bragg, Cal.
A. B. Cooper .....	Fort Bragg, Cal.

## Ventura &amp; Ojai Valley Railroad Company. Filed September 25, 1896.

## DIRECTORS.

A. P. Cross .....	Los Angeles, Cal.
John Cross .....	Los Angeles, Cal.
S. R. Thorpe .....	Los Angeles, Cal.
J. E. Loomis .....	Los Angeles, Cal.
N. P. Conrey .....	Los Angeles, Cal.
S. H. Garrett .....	Los Angeles, Cal.
L. L. Cross .....	Los Angeles, Cal.

## COMMUNICATIONS, COMPLAINTS, AND CORRESPONDENCE.

On April 10, 1895, the following communication was received from M. M. Moulton:

FALLBROOK, April 3, 1895.

*State Board of Railroad Commissioners, Sacramento, Cal.:*

GENTLEMEN: I have been requested by the citizens of Fallbrook to make inquiries of you regarding the washed-out line of road between Temecula and Oceanside, San Diego County.

I will not recite the facts in the case, as you are doubtless as well acquainted with them as myself. We have been informed by more or less competent authorities that the Santa Fe was obliged, by the terms of its charter, to rebuild and operate the road within five years from the time it suspended traffic. We have been unable to have this statement confirmed by any one thoroughly versed in railroad matters. Can you give us any light on this subject? We need a railroad at this point; it would pay the company handsomely from the first day. Any information you might desire will be gladly furnished by myself or any other business man here.

If you can tell us anything about the law in the case or anything about the Santa Fe's intention regarding us, it will be greatly appreciated.

Yours respectfully,

MONTGOMERY M. MOULTON.

Following is the reply of K. H. Wade to M. M. Moulton's communication:

LOS ANGELES, April 15, 1895.

MR. SAMUEL NEWMAN, *Secretary State Board of Railroad Commissioners, Sacramento, care of Hotel Hollenbeck, Los Angeles.*

DEAR SIR: Referring to complaint from Mr. Montgomery M. Moulton, in regard to repairing and putting into operation the old line of road between Temecula and Oceanside, I beg to state, that since the road was originally built, some twelve years ago, the line has been badly damaged by storms on three different occasions, the first time in 1884. It was about twelve months before the company could secure the necessary money to restore the line and put it in operation. Since I took charge of the property, in November, 1889, and during that winter, we had very heavy rains and the line was very seriously interrupted, but was repaired and operated during the following year. In the winter of 1890 and 1891 it was washed out again very badly, and our engineers estimated it would require over \$100,000 expenditure to put it into repair again. Our people have not since that time felt able to appropriate so large a sum, even if it were good business policy to restore that line. The road for the most of the way passes through a mountain gorge where it is not possible to develop any amount of business, and during the last year the road was operated less than \$8,000 was earned on business secured or originating on the line between Temecula and Oceanside. Since San Diego County was divided, and the territory north of Temecula has been transferred to Riverside County, there has been but comparatively little exchange of business between these two localities, and never will be, in all probability, as great an exchange as when San Diego was the county seat. Business to and from Temecula and the upper country is carried around by East Riverside and Orange at the same rate which prevailed previous to the interruption of the line through Temecula Cañon, so, except as to the question of time, the people have the same service as before. The distance from Perris, which is about the central point of the territory affected, via East Riverside and Orange, to San Diego, is 159 miles. By the old road, when in operation, the distance from Perris to San Diego was 101 miles, making the route via Orange 58 miles longer.

Trusting this explanation will be satisfactory to your honorable body, I am

Yours very truly,

(Signed:) K. H. WADE,  
General Manager.

The following communication was received from M. M. Moulton:

FALLBROOK, CAL., April 30, 1895.

SAMUEL NEWMAN, *Secretary Board of Railroad Commissioners, San Francisco, Cal.:*

DEAR SIR: Yours of April 25th received with inclosures. Many thanks for your efforts and for information furnished. A Board of Trade is being organized in Fallbrook, to whom I will refer all my correspondence with your honorable body. We have reason to believe that a proposition of some character will shortly be made to us by the Santa Fe, and the matter amicably settled. Again thanking you for your valuable services, I have the honor to be,

Your obedient servant,

MONTGOMERY M. MOULTON.

The following communication was received from San Diego Property-Owners' Union:

OFFICE OF THE SAN DIEGO PROPERTY-OWNERS' UNION, }  
SAN DIEGO, CAL., August 28, 1895. }

*To the Honorable Board of Railroad Commissioners of the State of California:*

GENTLEMEN: Under the management of the late Thomas Nickerson, President of the California Southern Railway Company, the City of San Diego entered into an agreement to build a railroad from San Diego to Barstow, via Temecula, being the shorter line. In consideration of the building of said road, the City of San Diego and National City granted the said California Southern Railway Company a subsidy, valued at the time and since at \$6,000,000. The railroad company built the road and for a time operated in good faith, for five years causing a rapid settlement along the line. In the meantime, San Diego built up a large and profitable trade.

In February, 1891, a portion of the road in Temecula Cañon was damaged by the flood so that it required some \$30,000 to repair it. For four years the people of San Diego have been deprived of this trade, and the settlers along the line have suffered; and we have used every means possible to restore the travel on this line, but every argument has failed.

At present the travel of San Diego is forced over the surf-line, 100 miles out of its way, to go through Los Angeles.

Within the last two months the people of Fallbrook have forced the Santa Fe to repair the road up to their stations, 20 miles, which is the main portion of the work. There is now only a gap of six miles left to give through travel, which the Santa Fe refuses to repair.

Therefore, we respectfully request that your honorable body will furnish us with a copy of the laws relating to the forfeiture of railroad charters, and that you will take such other action as you may deem proper to aid us in securing our legal and just rights from the Santa Fe Railroad Company.

Very respectfully,

D. CHOATE,  
President.  
G. G. ARNOLD,  
Secretary.

Following is the reply of K. H. Wade to San Diego Property-Owners' Union:

LOS ANGELES, September 2, 1895.

MR. SAMUEL NEWMAN, *Secretary State Board Railroad Commissioners, Chronicle Building San Francisco:*

DEAR SIR: Acknowledging your favor of the 31st ult., with copy of letter from the San Diego Property-Owners' Union, beg to state that the conditions existing in regard to this line, as explained in my letter of April 15th (copy of which is herewith inclosed), still prevail, and the explanations contained therein apply with equal force to the situation to-day. Since that date, by conference with the Fallbrook people, we received from them material aid in restoring the washed-out line from Oceanside to Fallbrook, at an expense of between \$7,000 and \$8,000. The local business in sight was such as to justify this expenditure. This work has been completed, and the line is now in operation to and from Fallbrook. Upon the line between Fallbrook and Temecula, however, is where the greater part of the expense is necessary to restore the washed-out line, and our estimate is that it would require upwards of \$90,000 to put this line in shape where we could expect it to be maintained against the first high water. There is no business at present, or any in prospect, to justify such an expense, and no locality or commercial interests which are suffering in consequence of such line not being rebuilt. The rates of freight, and facilities for handling business, to and from San Diego, have been kept uniform, as they were before the line was interrupted. The large growth and develop

ment of Los Angeles, Riverside, San Bernardino, and Redlands has attracted a large portion of the trade which formerly went to San Diego, for which the railway company is in no way responsible.

Yours truly,

(Signed:) K. H. WADE,  
General Manager.

As a result of the foregoing communications, the following action was taken by this Board: On October 9, 1895, the Secretary was instructed to publish notice of meeting to be held at San Diego, on October 28, 1895. Arrangements were made for the Board to convene at that city, but on account of the important litigation pending in the United States Circuit Court, requiring the presence of the members of the Board in San Francisco, the matter was continued.

On July 8, 1896, the Secretary was directed to publish notice of a meeting to be held at San Diego, and to notify all persons interested in the matter pending against the Southern California Railway Company, to appear before the Board at that time. On August 1, 1896, at 1 o'clock p. m., the Board convened at the rooms of the Chamber of Commerce, in San Diego, at which time Gilbert G. Arnold filed the following complaint:

Before the Board of Railroad Commissioners of the State of California.

*In the matter of Enforcing the Operation of Certain Portions of the Southern California Railway.*

Gilbert G. Arnold complains and alleges:

1. That he is a citizen of the State of California, residing in the City of San Diego, State of California;
2. That the Southern California Railway Company is a corporation organized and acting under the laws of the State of California, and the owner of all the railroad property hereinafter mentioned;
3. That the California Southern Railroad Company was a corporation organized and acting under the laws of the State of California during the years 1881 to 1894, inclusive;
4. That the last mentioned corporation incorporated for the purpose and entered upon the construction and operation of a railroad to run from the City of San Diego in a northerly direction to the City of San Bernardino, and was thus incorporated and received its charter therefor. And that it continued the construction of its said road until it was completed, running northerly from the City of San Diego via Oceanside through the Temecula Cañon to the City of San Bernardino, reaching said city on or about the year A. D. 1883;
5. That the citizens of the County of San Diego, in the State of California, for the purpose of having said corporation construct and operate and maintain said railroad along the line aforesaid, gave large subsidies of land and money, which were accepted by the members and stockholders of said corporation, which then entered upon the maintenance and operation of said railroad through the Temecula Cañon;
6. That the said California Southern Railroad Company, since the construction of said road, has been consolidated with others into the Southern California Railway Company, and has leased or assigned all its interest in said railroad property to the said Southern California Railway Company, which is now the owner of the same;
7. That during the last two years, the said Southern California Railway Company has totally failed to operate the said railroad for a distance of five (5) miles through what is known as the Temecula Cañon, and refuses to repair or operate its said railroad for said distance; and has thus disconnected the towns of Fallbrook and Oceanside and the City of San Diego from direct communication with the towns of Murietta, Temecula, Elsinore, Perris, Winchester, and San Jacinto, and their surrounding country;
8. That the failure to operate said road has not been prevented by the act of God; and complainant alleges that the said railway, with its branch and trunk lines, does yield income sufficient to defray the expenses of maintaining and operating the said line through the Temecula Cañon in connection with its said branch or trunk lines.

Wherefore, complainant prays that it be declared the duty of the Southern California Railway Company to operate its said railway through the Temecula Cañon in connection with its other branches and lines, and that suit be instituted against said corporation to compel it to perform its duty in the premises.

(Signed:) GILBERT G. ARNOLD.

STATE OF CALIFORNIA, }  
County of San Diego. } ss.

Gilbert G. Arnold, being duly sworn, says: I am the complainant mentioned in the foregoing complaint; that I have read the said complaint, and know the contents thereof; and that the same is true of my own knowledge, except as to the matters which are therein stated upon information and belief, and as to those matters I believe it to be true.

(Signed:) GILBERT G. ARNOLD.

Subscribed and sworn to before me, this 31st day of July, 1896.

C. STANTON,  
Notary Public.

The following answer was filed on behalf of the Southern California Railway Company:

Before the Board of Railroad Commissioners of the State of California.

*In the matter of Enforcing the Operation of Certain Portions of the Southern California Railway.*

THE ANSWER TO THE COMPLAINT OF GILBERT G. ARNOLD, FILED BEFORE THE BOARD OF RAILROAD COMMISSIONERS, AUGUST 1, 1896.

Comes now the Southern California Railway Company, and, for its answer to the complaint of Gilbert G. Arnold, says that:

Protesting and objecting to the jurisdiction of this Honorable Board to hear, try, or determine any of the matters and things set forth in said complaint, and denying the jurisdiction of such Board to hear and determine said matters, says that the branch of the Southern California Railway Company, which was operated through the Temecula Cañon, either by itself or in connection with the main line of the Southern California Railway Company, and the profit yielded to such main line, or to itself, is wholly and utterly insufficient to yield an income sufficient to pay for the operating of said line through the Temecula Cañon together with the cost and expense of maintenance of the same. And, therefore, the said Southern California Railway Company denies that said line, if reestablished and operated, would or could obtain business sufficient, either by itself or in connection with the main line of the Southern California Railway Company, to pay operating expenses, the cost of maintenance, and a fair or reasonable interest on the cost of repairing the same.

Said Railway Company further says that it is impracticable to operate that portion of the line which it has ceased to operate through the Temecula Cañon, on account of the great and enormous expense of reestablishing it, and of maintaining it, and of operating it when maintained; and that, on account of its other lines, covering practically the same points, it would be impracticable, if said line through said cañon were reconstructed, to operate the same as a main line or for through business, owing to the grades, sharp curves, and great liability of breaks in rainy seasons.

It further shows that it would cost practically one hundred thousand dollars (\$100,000) to replace and put in good operating condition the line through Temecula Cañon, and that, for a series of years, say ten (10), it would cost approximately seven hundred and fifty dollars (\$750) per mile, on an average, for maintenance.

Wherefore, the Southern California Railway Company demand that said proceedings be dismissed.

(Signed:) C. N. STERRY,  
Solicitor for Southern California Railway Company

STATE OF CALIFORNIA, }  
County of San Diego. } ss.

K. H. Wade, being duly sworn, says that he is now, and for more than five years last past has been, the General Manager of the Southern California Railway Company; that he has read the above and foregoing answer, and that the allegations and facts therein stated are true, to the best of his knowledge, information, and belief.

(Signed:) K. H. WADE.

Subscribed and sworn to before me, this 1st day of August, 1896.

CHARLES LONG,  
Notary Public in and for San Diego County, Cal.

Whereupon, the Board proceeded with an investigation of the matters set forth in the foregoing complaint. M. A. Luce and Watson Parrish, attorneys, appearing for complainant, and C. N. Sterry on behalf of the



Southern California Railway Company. H. C. Thompson, J. P. M. Rainbow, M. M. Moulton, B. A. Neff, M. Sherman, J. Anglebact, W. C. Kimball, Frank Kimball, E. G. Bradbury, and Daniel Schott testified on behalf of complainant, and C. N. Sterry, J. A. Fairchild, Geo. W. Marston, F. T. Perris, and K. H. Wade on behalf of the Southern California Railway Company. A large amount of documentary evidence was submitted, and the investigation consumed the time of the Commission during the 1st, 3d, 4th, and 5th days of August, 1896. The case was then closed, argued by the respective counsel, and taken under advisement, and on October 14, 1896, the Board rendered the following decision:

Before the Board of Railroad Commissioners of the State of California. Decided Oct. 14, 1896.

*In the matter of the complaint of G. Arnold, of San Diego, against the Southern California Railway Company, praying that this Board declare that said company has forfeited the right to operate its line through the Temecula Cañon.*

Luce & Parrish, for Complainant.

C. N. Sterry, for Southern California Railway Company.

Section 1 of Act to compel railroad corporations or individuals to operate their roads (Approved April 15, 1880) provides that, "upon failure of corporation or individual so owning said road to keep the same, or any part thereof, in full operation for the period of six months, its or his right to operate the same, in whole or in part, as the case may be, shall be forfeited, and the lands occupied for the purposes of its or his road, so far as the same shall not be operated, shall revert to the original owners or their successors in interest."

"SEC. 2. This Act shall not be construed to apply to a case where the operation of a road is prevented by the act of God, nor to a case where the operation of said road, together with its branch or trunk lines, does not yield income sufficient to defray the expenses of maintaining and operating the same in connection with its said branch or trunk lines."

There is no dispute as to the fact that the line of road from Temecula to Fallbrook is not in operation, so that the only question for determination is, whether this Commission shall direct the Attorney-General to institute proceedings against the Southern California Railway Company for forfeiture of its right to operate the whole or part of the Temecula Cañon line.

It appearing to this Commission, from the evidence given, as well as from an inspection made of the Temecula line, that this portion of the Southern California Railway Company's system has been constructed through a narrow, sinuous mountain gorge, the sides of which are covered in many points with loose boulders of granite, and that the operation of a railroad through the cañon is impracticable, as well as perilous to life and property; and it further appearing that the Southern California Railway Company did not voluntarily abandon that portion not operated at present, but was compelled to do so by reason of several washouts having occurred; and the expense and difficulty of maintenance being considered, as well as the opinion of competent engineers that the amount of \$300,000 might be expended in repairs and new work, without removing the element of danger which would be a great objection to the operation of a road through the cañon; and further, that at one period the sum of \$256,000 was expended in repairs, which were subsequently destroyed by washout, and also the opinion of General Manager Wade, that \$40,000 expended to put the Temecula line in first-class condition would not justify him in running through trains from Barstow to San Diego. It also being in evidence that the shippers from the county tributary to the Temecula Cañon, in letters before the Commission, deny that they have suffered serious inconvenience, but in many cases attest that a liberal policy has been adopted by the company. It is also in evidence that the Southern California Railway Company did, during the time the Temecula Cañon road was washed out, and could not for that reason be operated, construct a railroad from San Bernardino through the Santa Ana River Cañon to Ocean-side, connecting at that point with the railroad running from San Diego to San Bernardino through the Temecula Cañon.

The railroad now operated by the Santa Ana route passes through a fertile and productive country, with easy grades and curvatures, comparatively free from danger of washouts and landslides, can be maintained and operated with very much less expense, more safety and punctuality than the road through the Temecula Cañon. The distance over the Santa Ana route from San Diego to San Bernardino being only seventeen and one half (17½) miles greater than by the route through the Temecula Cañon between the above-named points.

The road by Santa Ana makes direct connection with the Atlantic & Pacific at Barstow, via San Bernardino, making through connection between San Diego and the

Eastern and Southern States. Most of the shippers living contiguous to and along the route of the Temecula Cañon road are afforded ample facilities for their local traffic, both freight and passenger.

Owing to the great cost of reconstructing, and greater uncertainty of maintaining the railroad through the Temecula Cañon, between Ranchita and Temecula "if reconstructed," the sudden and great rise of the stream, the exceedingly heavy grades, and sharp curvatures would not, in our judgment, warrant us in requiring the Southern California Railway Company to reconstruct, maintain, and operate that part of said road between Ranchita and Temecula. The road as now operated between San Diego and San Bernardino via Santa Ana Cañon, also between Oceanside and Ranchita, Temecula, and San Bernardino, appears to be quite satisfactory to the great majority of the residents of San Diego and Riverside Counties.

For these and other reasons not necessary to mention, we are of the opinion that the petition should be denied. It is so ordered.

H. M. LA RUE,  
JAS. I. STANTON,  
W. R. CLARK,  
Railroad Commissioners.

Dated San Francisco, October 14, 1896.

The following communication was received from Andrew J. Clunie:

SAN FRANCISCO, June 2, 1896.

*To the Honorable Board of Railroad Commissioners of the State of California:*

GENTLEMEN: Section 21 of the Constitution of the State of California provides:

"No discrimination in charge or facilities for transportation shall be made by any railroad or other transportation company between places or persons or in the facilities for the transportation of the same classes of freight or passengers within this State, or coming from or going to any other State. Persons and property transported over any railroad or by any other transportation company or individual, shall be delivered at any station, landing, or port, at charges not exceeding the charges for the transportation of persons and property of the same class in the same direction, to any more distant station, port, or landing. Excursion and commutation tickets may be issued at special rates."

This provision of the Constitution is being grossly violated by the Southern Pacific Company in the matter of its charges for local travel between the City and County of San Francisco and that part of the City of Oakland lying west of Broadway in said city. This company is engaged in running two lines of ferries to Oakland—one known as the Creek route, which runs from the water-front in the City and County of San Francisco to the foot of Broadway Street, Oakland; the fare for passengers on this route is 5 cents per trip. The other ferry starts from the water-front in the City and County of San Francisco and lands at the extreme west end of Oakland, where passengers are transferred from the ferry to local trains, and then transported to their destination. Between the landing of said ferry and said Broadway Street in Oakland, at the foot of which passengers on the Creek route are delivered, are many important stations. The fare charged by the company on this line to any of said stations is 10 cents, or double the amount charged on the Creek route for delivery of a passenger at the foot of said Broadway Street; and all of said stations west of Broadway are a less distance from the City of San Francisco than the foot of Broadway, at which said station of the Creek route is located. Both of these lines run in the same direction. The same state of facts exists in the transportation of passengers from Oakland to San Francisco; on the Creek route transportation can be had from the foot of Broadway, Oakland, to San Francisco, for 5 cents; on the other route from Broadway and by-stations west of it in Oakland, the fare to San Francisco is 10 cents.

I respectfully request that your Honorable Board take such action in the premises as may compel obedience by this company to the fundamental law of the State.

Respectfully submitted.

ANDREW J. CLUNIE.

Following is the reply of Julius Kruttschnitt to communication from Andrew J. Clunie:

SAN FRANCISCO, June 11, 1896.

*To the Honorable, the Board of Railroad Commissioners of the State of California, Chronicle Building, San Francisco, Cal.:*

GENTLEMEN: I am in receipt of a communication from your honorable body inclosing copy of letter addressed to you by one Andrew J. Clunie, wherein he recites the provisions of Section 21 of Article XII of the Constitution of this State, claiming that because this company is engaged in running a ferry-boat from the water-front of San Francisco to the foot of Broadway in Oakland, by the so-called Creek route, at a fare of 5 cents per passenger, while on the route comprising both ferry and rail service from San Francisco, via Seventh Street to Broadway, Oakland, the fare charged is 10 cents, said constitutional provisions are thereby violated.

An examination of the facts stated by the complainant establishes the fallacy of his conclusions.

The lines in question, although operated by the same company, are entirely separate and distinct, by different routes, between different termini, and the transportation is under different circumstances and conditions. It is not alleged, nor is it true, that any discrimination whatever is made between persons in the use of these several routes, nor can there be any discrimination between places. Both routes are equally open to any one who chooses to use either, and both run between the City of Oakland and the City of San Francisco.

The service via Seventh Street, Oakland, to Broadway is an expensive one, involving the use of steam railroad trains, running into and upon a costly depot, mole, and tracks, while the accommodation given to the passenger is far superior to any that is possible by the Creek route, enabling him to stop at any one of half a dozen stations between the western limits of Oakland and the station at Seventh and Broadway streets. As to the reasonableness of the charge of 10 cents for such a service, there has been and can be no question. Even the complainant does not venture the assertion that such a charge is unreasonably high.

The Creek route is comparatively cheap of operation. All it requires is the use of one ferry-boat, making its landings and receiving and delivering its passengers at the wharves at the foot of Broadway, Oakland, and on the water-front of San Francisco. It is primarily intended for the use of teams, thus avoiding the danger of driving down the long mole alongside of moving trains, and also preventing the overcrowding of boats upon the railroad route by teams, to the inconvenience of the large number of passengers transported thereon. Incidentally, passengers are taken on the Creek boats at the low rate of 5 cents, but few care to avail themselves of such transportation. If a passenger desired to go via that route to Seventh and Broadway streets, Oakland, he would be compelled to either walk seven blocks after arriving at the wharf at the foot of Broadway, or to take a street car, paying therefor the additional fare of 5 cents; and if he desired to go to any of the other stations between Broadway and the western boundary of the city, he would be subject to just so much the more additional trouble and expense.

There is no discrimination at all, and the prohibition of the Constitution against charging a greater rate for a shorter distance than for a longer one manifestly applies to points upon the same route of transportation, and not to parallel but separate routes, over which a passenger has the unrestricted option to travel, according as he desires the greater or less accommodations provided by either.

Yours respectfully,

J. KRUTTSCHNITT,  
General Manager.

On July 8, 1896, this matter was taken up for consideration, but in view of the fact that the restraining order was still pending against the Board, further action was deferred, awaiting the decision of the Circuit Court of the proceedings pending therein.

## DECISION OF JUDGE M'KENNA

IN THE CASE OF

SOUTHERN PACIFIC COMPANY vs. RAILROAD COMMISSIONERS.

Since the filing of our biennial report on the 20th day of November, 1896, the case of the Southern Pacific Company vs. The Railroad Commissioners of the State of California, then pending in the United States Circuit Court, Northern District of California, Hon. Joseph McKenna, Judge, and heretofore referred to, was, on the 30th day of November, 1896, decided as to the temporary injunction prayed for by the Southern Pacific Company. Believing this case to be of so much importance, and of such interest to the people of the State, we herewith give the decision in full:

IN THE UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF CALIFORNIA, NINTH CIRCUIT.

SOUTHERN PACIFIC COMPANY, *Complainant*,

vs.

THE BOARD OF RAILROAD COMMISSIONERS OF THE STATE  
OF CALIFORNIA ET AL.

No. 12,127.

(1) Section 22, Article XI, of the Constitution of the State of California, provides as follows:

"The State shall be divided into three districts, \* \* \* in each of which one Railroad Commissioner shall be elected. \* \* \* Said Commissioners shall have power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad and other transportation companies, \* \* \* and enforce their decisions and correct abuses through the medium of the courts. \* \* \* Any railroad corporation or transportation company which shall fail or refuse to conform to such rates as shall be established by such Commissioners, or shall charge rates in excess thereof, \* \* \* shall be fined not exceeding \$20,000 for each offense, and every officer, agent, or employé of any such corporation or company who shall demand or receive rates in excess thereof, or who shall in any manner violate the provisions of this section, shall be fined not exceeding \$5,000, or be imprisoned in the county jail one year. In all controversies, civil or criminal, the rates of fares and freights established by said Commission shall be deemed conclusively just and reasonable. \* \* \*"

*Held*, That these provisions give the Commission as ample administrative powers as legislative and judicial powers, and hence the Commission is empowered and directed

not only to establish rates, but to enforce them, and is, therefore, a proper party to a suit by a railroad company affected thereby.

That such a suit is not one to restrain criminal prosecutions, but that it is a suit to restrain an asserted illegal action which may injuriously affect the interest and property rights of complainant. (Mr. Justice Miller's opinion in *Chicago, etc., Ry. Co. vs. Minnesota*, 134 U. S. 459; the *Dey case*, 35th Federal, and the *Gill case*, 158 U. S. 659, followed.)

That the provision of the California Constitution applies to both foreign and domestic corporations, but it is disputable if it is intended as conditions upon either; and further, it is limited by the inhibitions of the Federal Constitution; that under the reserve power of amendment to the charters of corporations (and the same reasoning is applicable to conditions upon foreign corporations), the State cannot only take what it gave, and that the State gave the corporate functions only, not the property acquired by the corporation, and hence over it the State can exercise only the control which it exercises over the property of individuals engaged in similar business. (*The Railroad Tax Cases*, 13 Fed. 722-789, followed.)

That the provision which makes the rates conclusively just and reasonable in all controversies, civil or criminal, is void because in conflict with the Constitution of the United States, as depriving the companies of their property without due process of law and of the equal protection of the laws; but that the provision is clearly separable from those creating the Commission and endowing it with powers, and that, further, the provision is a rule of evidence only, and is not a direction or implication that the rates should be made other than reasonable.

That it is not necessary to the validity of the Commission or its action that the Constitution should provide for notice to the railroads before a tariff of rates may be established affecting them. (Mr. Justice Miller's opinion in the *Minnesota case*, 134 U. S., followed.)

That the Constitution does not discriminate between railroads owned by companies and those owned by individuals. (Case of *Moran vs. Ross*, 79 Cal. 163, followed.)

(2) The Southern Pacific Company operates the several railroads mentioned in the bill under leases from the corporations owning them, and it was contended that these leases were void because executed without express congressional or legislative authority, and, therefore, *ultra vires* of the purpose for which those corporations were created, to wit: the six California corporations, namely: Central Pacific Railroad Company, Southern Pacific Company of California, South Pacific Coast Railway Company, Northern Railway Company, and Northern California Railway Company, without the authority of the California Legislature; the Central Pacific Railroad Company and the South Pacific Railroad Company without express congressional authority.

That the so-called "Pacific System" is an unlawful combination, in violation of Section 2, Article XII, of the Constitution of the State of California.

*Held*, That respondents cannot be heard to make either proposition under the circumstances of the case, because the Commission dealt with the Southern Pacific Company, not with any of its lessor companies. The grain schedule was served on it and can only be enforced through it and its officers, and it is they only who can demand or receive rates in excess of it, and they only who can be punished. Therefore, as the Southern Pacific Company was regulated, it may complain of that regulation; that, if its possession and management of the railroad properties could be accepted as valid by the Commission for the purpose of regulation, they may be accepted by a court of equity for the purpose of determining the justness of that regulation.

The right of the Commission to regulate the individual companies, regarding or regardless of the leases, or to regulate the Southern Pacific Company as operating the several individual roads, or the effect and constitutionality of the statutes of the State in regard to the leasing or operation of roads by domestic or foreign corporations, reserved.

(3) The State has the power to regulate property devoted to a public use; hence has the power to establish a tariff of rates for the transportation of passengers and freight on railroads, and this power may be exercised by the Legislature or by a Commission. It may be as full in the latter as in the former, but in both—as well in one as the other—it is subject to judicial review as to its reasonableness. The State, under this power, may not fix a rate unreasonably low—it may, under this power, prevent a railroad from fixing one unreasonably high, and under this power prevent favoritism and discrimination.

The limitation of the power, whether exercised through the Legislature or a Commission, is the Constitution of the United States, and is based on its guaranties against the taking of property without compensation or due process of law, and its guaranty of the equal protection of the law to all persons.

(4) A tariff of rates is not reasonable which barely omits confiscation—which leave some dividend, whether much or little. To be reasonable it must reimburse charges and expenses and give, besides, an adequate return to investment. (*The Ames case*, 64 Fed. 165, followed. *The Dey case*, 35th Federal, 866, disapproved.)

(5) The interest of La Rue as a shipper of grain and the ante-election pledge of Stanton are not important, because, as to the first, the grain-rate resolution was passed by a vote of the three Commissioners; as to the second, because the final inquiry must be, were the reductions reasonable, and not the prejudice or non-prejudice of Mr. Stanton.

(6) The respondents are entitled to have the grain-rate resolution considered separately from the 25% resolution, unless the showing should be good for either.

(7) The betterments and improvements of the kind shown by the evidence are a proper charge as expenditures. (*The Reagan case*, 154 U. S., and *U. P. R. R. Co. v. U. S.*, 98 U. S. 402, followed.)

*Held*, however, that under certain of the leases such betterments and improvements were not a proper charge to the Southern Pacific Company, and that by deducting these, and the deficit for interest on the Oregon & California road, improperly charged by the Southern Pacific Company, there was a surplus on the Pacific System for 1894 of \$1,055,058 71, instead of a deficit of \$276,262 70, as alleged in the bill; that, making the same deductions for 1895, there was a deficit on the Pacific System of \$545,553 21; and, making proportionate reductions for the roads entirely in California, there was a deficit on such roads of \$552,896 51, and hence there should be no reduction of rates of the Southern Pacific Company, regarding either the Pacific System or the California roads, unless its business increase.

(8) The difference between 1894 and 1895 was caused by a depression in business affecting the market and transportation of all articles, and existed when the bill was filed; that no evidence of a change has been offered and no change may be assumed from the sources of judicial notice so definite in time or amount to determine a judgment; but that this now is not important, as this case can be tried before the Commission can act on the 25% reduction and before any considerable movement in grain, and the conclusion from the preliminary showing be confirmed or refuted, and a final injunction be granted or denied. To this opportunity counsel should eagerly look and eagerly prepare, and then it will be shown whether the allegation of complainant is true, that its rates are just and reasonable and indiscriminative and have been fixed with a regard to the financial, commercial, and competitive conditions; or the allegation of respondents be true, that rates have been fixed at cost of transportation to crush opposition and create monopoly, and the losses entailed recompensed by unjust and unreasonable rates in other portions of the State, so that the revenues of the complainant may be maintained without regard to the interest of commerce and the rights of the public.

(9) That the view taken of the showing made by the complainant makes it unnecessary to consider that made by the United States, and in the latter there are elements which are not in the former, and to give them proper attention would delay decision too long. Besides, the right of the Government to intervene was again challenged by respondents, and with such strength of objection as to justify a review of its allowance, but it should be postponed to a later stage of the case.

(10) That that part of the order staying the execution of the resolution of the Board of Railroad Commissioners, reducing rates on grain 8%, be continued until the further order of the Court—that the balance of the restraining order be dissolved.

MCKENNA, Circuit Judge. This suit is brought against the Board of Railroad Commissioners to enjoin them from enforcing a certain resolution reducing the rates on grain and other freight on the lines of railroad operated by complainant. The bill is too long to quote in full, hence I shall give only such summary of its important allegations as will assist the understanding of this opinion. It alleges the jurisdictional facts, and the official character of respondents, and that the complainant is a corporation, and was incorporated and organized by an Act of the Commonwealth of Kentucky, empowering it to operate the lines of railroads described, and operating them as one system, generally known as the Pacific System of complainant.

That it has a paid-up capital stock of \$120,934,170, distributed among one hundred and fifty shareholders. The lines of railroads are given by name, with their respective mileage and termini.

That certain of said roads have an outstanding indebtedness, incurred for their construction and equipment, represented by interest-bearing

bonds and secured by mortgage. The amount of indebtedness and the annual interest are given.

That, by the leases to it, complainant is required to operate and maintain said roads in good repair, pay taxes, and provide for the payment of the interest aforesaid, which amounts in the aggregate to \$8,420,000, or thereabouts.

That to some of said roads complainant is obliged to pay a certain rent, and to pay certain sums to the Government of the United States. The amount of rent and such sums are given, and, as far as necessary, will be referred to hereafter.

That none of the lessor companies, except the California Pacific Company and Northern Railway Company, have for more than a year last past received or been entitled to any profit or net income whatever, or been able to pay any dividend to stockholders. That the rent received by the California Pacific Company and Northern Railway Company, after deducting necessary payments of interest and expenses, amounts to less than 2½% per annum upon their respective capital stock, and that this must be expended in betterments and additions which are necessary for the proper operation and equipment of the road.

That the cost and value of the properties largely exceed the bonded indebtedness respectively thereon.

That complainant has invested \$4,832,491 78 in the purchase of property necessarily used and necessary to be used for and in connection with the operation of said roads as said Pacific System, and of said amount the sum of \$4,000,000 is invested in California.

That, in order to enable complainant to operate said road, it must receive income sufficient to pay expense, interest, etc., and is entitled to some profit.

That complainant is engaged in State and interstate traffic, and that the rates of the latter have been fixed in pursuance of the provisions of the Act to regulate interstate commerce, and that the rates on State traffic have been fixed as to the roads in California and Oregon by the Boards of Railroad Commissioners of said States, and in Nevada and the Territories in accordance with the laws thereof, respectively. That the rates upon freight arising and transported entirely in California are now lower, both actually and relatively, than the rates on freight arising and transported entirely within either of the other States, and when established were no more than sufficient to operate said roads down to the commencement of the year 1894, and that in that year an unusual depression in business occurred, so reducing the business of the complainant as to render its income insufficient to pay expenses, as hereinbefore set forth. That said depression, it is alleged on information and belief, will not be relieved, and that the business will not be increased during the present, or the next ensuing, year. That from time to time reductions have been made in rates, and from January, 1889, to June, 1895, to the amount of more than 35%. A table, showing the reduction by years, is given in the bill.

That the total receipts and expenditures of the Pacific System, during the calendar year 1894, were as follows:

Receipts.....	\$31,458,522 64
Expenditures.....	31,734,785 34
Showing a deficiency of .....	276,262 70

The items of receipts and expenditures are given.

That the total receipts for the first six months of the current year (1895), from the 1st day of January to the 30th day of June, for the Pacific System, were as follows:

Receipts.....	\$14,836,125 77
Expenditures.....	16,312,302 16
Leaving a deficiency of.....	1,476,176 39
The items are given.	

That there has been at all times economy of operation, and that the operation of said road as a system is a convenience to the public. The number of officers employed is alleged to be seventy-one, who received a daily compensation of \$16 25; total yearly compensation, \$361,079 04. All its other employes, numbering 15,064, received an average daily compensation of \$2 54; total yearly compensation, \$11,972,667 73. That these rates were not unreasonable.

That the rates in force upon the several railroads operated by complainant have been fixed according to circumstances and conditions surrounding the traffic, and with a careful regard to those conditions which affect their relative adjustment and classification, and are fair to shippers, and in many cases are fixed at the actual cost of transportation by reason of water and railroad competition.

That, notwithstanding the premises, the Board of Railroad Commissioners did, on the 12th and 13th days of September, 1895, pass and adopt the resolutions complained of. They are set out in the bill and, as the 25% resolution is given hereafter, I omit them here.

The grain resolution is as follows:

"*Resolved*, That the rates at present existing for the transportation of grain in California by the Southern Pacific Company and its leased lines, as established by Grain Tariff No. 2, and all subsequent amendments thereto, be, and the same are, hereby reduced 8%, and the Secretary of this Board is hereby directed forthwith to prepare for publication by this Board a schedule of rates in accordance herewith, and when so prepared the same shall be published at once and take effect as soon thereafter as allowed by law, and that, on the adoption of the revised general freight tariff of said company herein provided for, any further per cent reduction due said grain tariff as provided herein shall be given."

That portion of the resolution having reference to the grain rates was adopted by an unanimous vote, and the remainder thereof was adopted by the vote of Hugh M. La Rue and James I. Stanton, William R. Clark voting against same.

That, pursuant to the resolution, a schedule of the grain rates was prepared and served on complainant on the 26th day of September, 1895, and that the Board is proceeding to prepare a schedule of other rates and will, not later than January 1, 1896, enforce them, unless restrained. Complainant avers that there is no reason to believe that there can be and will be an increase of complainant's business, and that the rates and reductions were resolved on arbitrarily and without evidence, and will be unjust, unfair, and unreasonable, and confiscatory of the property rights of complainant and its lessors.

That such rates will require complainant to carry many classes of freight at less than cost, and that such loss cannot be made good; that they cannot be adopted without irreparable injury, and will cause a diminution of revenues, as nearly as can be ascertained, of \$1,600,000 per



annum, and will be insufficient to pay expenses as aforesaid so that traffic can be conducted with safety, and, on information and belief, avers that the deficiency of the next ensuing year will exceed the sum of \$4,000,000. That the injurious effect will extend to the interstate business of complainant to the amount of upward of \$250,000. The reasons and manner are stated.

The bill gives the names of the California roads and their mileage, the bonded indebtedness and the amount of annual interest, their total receipts and expenditures, by items, for the year 1894 and the first half of the year 1895.

The receipts for 1894 were.....	\$20,993,488 39
Expenditures.....	20,558,991 34
Leaving a surplus of.....	434,497 05
 The total receipts for 1895 (ending June 30).....	 \$9,932,611 82
Expenditures.....	10,796,303 11
Leaving a deficiency of.....	863,691 29

And it is alleged that under the proposed rates there would have been for 1894, instead of a surplus, a deficiency of \$1,340,502 95. And the deficiency of 1895 would be increased to \$1,681,914 57.

That there is no reason to expect a compensating increase of business, and hence during the next ensuing year there will be a deficiency of \$2,363,829 14 on the California roads.

That the defendants threaten a reduction in the rates of passenger fares, which are already just and reasonable.

That Mr. La Rue and Mr. Stanton took the following pledge before election and were elected in consequence thereof:

"*Resolved*, That the charges for the transportation of freights in California by the Southern Pacific Company of Kentucky and its leased lines should be subjected to an average reduction of not less than 25%, and we pledge our nominees for Railroad Commissioners to make this reduction."

That Mr. La Rue is a raiser of agricultural produce and a shipper thereof, and hence interested against complainant. That complainant has not consented to their acting, but protested against it.

That the provisions of the Constitution of the State of California, and the Act of the Legislature in aid thereof, are in violation of Section 1 of the Fourteenth Amendment of the Constitution of the United States. The particulars will be indicated hereafter.

That defendants will proceed to promulgate and enforce the rates of freight aforesaid, and that complainant will be harassed by a multiplicity of suits to enforce the same or the penalties of the Constitution of the State.

That the suit is of a civil nature, and that the matter in dispute exceeds, exclusive of interest and cost, \$5,000, and that it is a cause arising under the Constitution and laws of the United States.

There is the usual prayer for injunction, *pendente lite* and perpetual.

There were filed with the bill affidavits supporting its allegations, and a temporary restraining order was granted, and also an order to show cause why it should not remain pending the suit. Upon the hearing, refuting affidavits were filed by respondents, and against these and in support of the bill complainant also filed other affidavits. There were also presented voluminous extracts from the testimony taken by the Pacific Railway Commission, to show a wasteful and extravagant con-

struction of certain of the roads, and also a diversion of the revenue to dividends instead of being employed in debt-paying.

There were also introduced the leases to the Southern Pacific Company and its annual report to its stockholders, showing the operations of its proprietary lines and those operated under leases; a very full exposition of expenses and receipts.

The case has been elaborately argued—how elaborately is indicated by the fact that when put into printed form the arguments of complainant's counsel occupy 1,147 pages, and those of respondents 1,031 pages. It is needless to say that counsel were all able, and that they neither abused nor wasted the opportunity given to them, nor neglected a single topic which could illustrate or expound the intricate problems involved in the controversy.

The United States Attorney, Mr. Foote, also presented a full and strong argument on behalf of the Government's intervention and its right to an injunction against the Commissioners.

The evidence and the arguments had to be considered by me, and this accounts in part for the time I have taken for decision. In part, it is accounted for by other and imperative demands on my attention. This opinion will be long, and, while there is justification for it, I have, nevertheless, leaned against too elaborate an exposition, but I hope in avoiding prolixity I have not slighted any essential proposition or failed to make my meaning plain.

The many propositions urged upon my consideration may not with clearness be tabulated or presented in a determined order. Some, however, naturally assume a precedence, and of these the two following are earnestly and ably urged by the counsel for respondents as settling the controversy:

(1) That action on the grain resolution is completed, and hence the Board of Railroad Commissioners has no further office to perform. Or, putting it another way: The schedule has become the law of the land, to be enforced by suit by the proper State officers or by shippers.

(2) As to the other resolution, which may be called the 25% resolution, action has not gone far enough. It is claimed to be but a resolution of inquiry upon which action is not yet determined.

Section 22, Article XI, of the Constitution of California, is as follows:

"The State shall be divided into three districts, \* \* \* in each of which one Railroad Commissioner shall be elected. \* \* \* Said Commissioners shall have power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad and other transportation companies \* \* \* and enforce their decisions and correct abuses through the medium of the courts. \* \* \*

Any railroad corporation or transportation company which shall fail or refuse to conform to such rates as shall be established by such Commissioners, or shall charge rates in excess thereof, \* \* \* shall be fined not exceeding \$20,000 for each offense, and every officer, agent, or employé of any such corporation or company who shall demand or receive rates in excess thereof, or who shall in any manner violate the provisions of this section, shall be fined not exceeding \$5,000, or be imprisoned in the county jail one year. In all controversies, civil or criminal, the rates of fares and freights established by said Commission shall be deemed conclusively just and reasonable, and in any action against such corporation or company for damages sustained by charging

excessive rates, the plaintiff, in addition to the actual damages, may, in the discretion of the judge or jury, recover exemplary damages. Said Commission shall report to the Governor, annually, their proceedings, and such other facts as may be deemed important. Nothing in this section shall prevent individuals from maintaining actions against any of such companies. The Legislature may \* \* \* confer such further powers on the Commissioners as shall be necessary to enable them to perform the duties enjoined on them in this and the foregoing section." \* \* \*

The Legislature passed an Act in aid of the Constitution, which is entitled "An Act to organize and define the power of the Board of Railroad Commissioners," approved April 15, 1880.

Section 11. "Whenever said Board, in the discharge of its duties, shall establish or adopt rates of charges \* \* \* pursuant to the provisions of the Constitution, said Board shall serve a printed schedule of such rates \* \* \* upon the \* \* \* corporation affected thereby, and upon such service it shall be the duty of such \* \* \* corporation to immediately cause copies of the same to be posted in all its offices, station-houses, warehouses, and landing offices affected by such rates, \* \* \* in such manner as to be accessible to public inspection during usual business hours. Said Board shall also make such further publication thereof as they shall deem proper or necessary for the public good. \* \* \* The rates of charges established or adopted by said Board, pursuant to the Constitution and this Act, shall go into force and effect on the twentieth day after service of said schedule."

In this action we are concerned only with the acts of the Board of Railroad Commissioners, performed, performing, or to be performed. With the rights shippers have we are not concerned. The grain schedule was served, and the twenty days prescribed by statute, after which the rates should go into effect, had expired when the bill was filed. Were there yet any acts or duties to be performed by the Board? It is very clear that if there was nothing left to be performed—if the rates had become the law, to be enforced by other officers than the Commissioners—there was nothing to be enjoined in a suit against the Commissioners.

The Constitution is certainly not clear, and interpretation must be exercised by a very careful consideration of its language.

After providing for the election of Railroad Commissioners, it enumerates their duties as follows (which I shall number for the purpose of distinction and reference).

Said Commissioners shall have the power, and it shall be their duty:

(1) To establish rates of charges for transportation of passengers and freights by railroad and other transportation companies, and publish the same from time to time with such changes as they may make;

(2) To examine the books, records, and papers of all railroad and other transportation companies, and for this purpose they shall have the power to issue subpoenas and all other necessary process;

(3) To hear and determine complaints against railroad and other transportation companies, to send for persons and papers, to administer oaths, take testimony, and punish for contempt of their orders and processes, in the same manner and to the same extent as courts of record, and to enforce their decisions and correct abuses through the medium of the courts;

(4) Said Commissioners shall subscribe (? prescribe) a uniform system of accounts to be kept by all such corporations and companies.

It is under the third of the said enumerated provisions of the Board that there is an implicit direction to "enforce their decisions and correct abuses through the medium of the courts." Let us repeat its language in connection with the direction and injunction to the Board. "Said Commissioners shall have the power, and it shall be their duty, \* \* \* to hear and determine complaints against railroad and other transportation companies, to send for persons and papers, to administer oaths, take testimony, and punish for contempt of their orders and processes, in the same manner and to the same extent as courts of record, and to enforce their decisions and correct abuses through the medium of the courts."

It appears, therefore, that the Board may hear and determine complaints. What complaints? Surely these may be as broad as the Board's powers are, and as various as the misconduct of transportation companies. Upon whose complaint? Must the Board wait, as a court does, to be invoked? Is it not a different instrumentality from a court? An active, seeking, supervising one—the eye and the activity of the State—expected to see and do what private interests may overlook or be deterred from doing? I think so. But, grant I am wrong, the Board has the further power to correct abuses. What abuses? Only those complained of, or those besides which it discovers? If only those complained of, the phrase "to correct abuses" is but a repetition of the phrase "to enforce their decisions." Primarily, we may not assume that it is superfluous, and reflection of the purposes of the Constitution convinces that it was not intended to be. It must be construed as an independent gift of power giving the Commissioners as ample administrative powers in proper places as judicial and legislative powers in proper places. That this construction will make the Board more efficient there can be no doubt, and I am not disposed to interpret any ambiguity so as to take away a valuable power and one so consistent with, and may be necessary to, the purposes for which the Commission was created.

The first contention is, therefore, not good.

The second contention is, that the 25% resolution is only one of inquiry, not one of definite action, or necessarily one even of intended action. The Attorney-General says: "It is a kind of declaration, not binding upon the Railroad Commissioners as a body, or upon anybody else." He also says: "It does not amount to anything. It is the schedule, after all, which is the law."

But it would seem that this is but a part of the sweeping contention that the Railroad Commissioners are not amenable to restraint at all. Not, it is claimed, before a schedule is prepared, and served, because their functions are then legislative. Not after a schedule is prepared, and served, because their function is done and their acts are law; the enforcement of which must be restrained, if at all, by suits against other officers than them. In other words, that the function of the Commissioners is that of the Legislature of the State, and, like the Legislature, not amenable to the control of the courts. If this is so, it would seem from many precedents of suits against Commissioners that it results from provisions peculiar to the California Commission, and not from anything inevitably incident to the function or the office.

In support of this contention, a great many cases have been cited and

reviewed which I need not comment upon. They, undoubtedly, decide that the purely legislative functions of any official body cannot be controlled by the courts, but in the case of Railroad Commissions, the Supreme Court of the United States has distinguished executive from legislative functions, and has asserted the power to restrain the latter when their attempt is to enforce a tariff of rates which may be unjust and unreasonable. (*Railroad Commission cases*, 116 U. S. 307; *Reagan vs. Farmers' Loan & Trust Company*, 154 U. S. 362.)

In the latter case, the powers of the court were clearly defined, and I shall quote from it fully.

The same broad contention was made in that case that is made in this, and to it the court replied, through Mr. Justice Brewer, as follows:

"It appears from the bill that, in pursuance of the powers given to it by this Act, the State Commission has made a body of rates for fares and freights. This body of rates, as a whole, is challenged by the plaintiff as unreasonable, unjust, and working a destruction of its rights of property. The defendant denies the power of the court to entertain an inquiry into that matter, insisting that the fixing of rates for carriage by a public carrier is a matter wholly within the power of the legislative department of the Government and beyond the examination by the courts. \* \* \* (And, after further comment:) The courts are not authorized to revise or change the body of rates imposed by a Legislature or a Commission; they do not determine whether one rate is preferable to another, or what under all circumstances would be fair and reasonable as between carriers and shippers; they do not engage in any mere administrative work; but still there can be no doubt of their power and duty to inquire whether a body of rates prescribed by a Legislature or a Commission is unjust and unreasonable, and such as to work a practical destruction to rights of property, and if found so to be, to restrain its operation."

After reviewing a number of cases, the learned Justice continued as follows:

"These cases all support the proposition that, while it is not the province of the courts to enter upon the merely administrative duty of framing a tariff of rates for carriage, it is within the scope of judicial power and a part of judicial duty to restrain anything which, in the form of a regulation of rates, operates to deny the owners of property invested in the business of transportation that equal protection which is the constitutional right of all owners of other property. There is nothing new or strange in this. It has always been a part of the judicial function to determine whether the act of one party (whether that party be a single individual, an organized body, or the public as a whole) operates to divest the other party of any rights of person or property. In every Constitution is the guarantee against the taking of private property for public purposes without just compensation. The equal protection of the laws which, by the Fourteenth Amendment, no State can deny to the individual, forbids legislation, in whatever form it may be enacted, by which the property of one individual is, without compensation, wrested from him for the benefit of another, or of the public. This, as has been often observed, is a government of law, and not a government of men, and it must never be forgotten that under such a government, with its constitutional limitations and guaranties, the forms of law and the machinery of government, with all their reach

and power, must in their actual workings stop on the hither side of the unnecessary and uncompensated taking or destruction of any private property, legally acquired and legally held. It was, therefore, within the competency of the Circuit Court of the United States for the Western District of Texas, at the instance of the plaintiff, a citizen of another State, to enter upon an inquiry as to the reasonableness and justice of the rates prescribed by the Railroad Commission."

And, marking the limits of the powers of the court, he further said:

"As we have seen, it is not the function of the courts to establish a schedule of rates. It is not, therefore, within our power to prepare a new schedule or rearrange this. Our inquiry is limited to the effect of the tariff as a whole, including therein the rates prescribed for all the several classes of goods, and the decree must either condemn or sustain this act of quasi legislation."

We are brought back to the inquiry concerning the duties which are devolved on the Board of Commissioners, and these, we have seen, are not only to enact provisions of regulation of rates, but to enforce them, and hence, certainly when the former is done and the latter is threatened, the courts have power to review the regulation and, to use Justice Brewer's words, "condemn or sustain this act of quasi legislation."

The broad contention of respondents cannot, therefore, be sustained. May the special one (to quote the Attorney-General), that the 25% resolution is "a kind of declaration not binding upon the Railroad Commission as a body, or upon anybody else"?

In an absolute sense, the resolution is not binding on the Railroad Commission, or on any one else. It would not be, even if a formal schedule were prepared—not even if the schedule were served. Its obligation only attaches upon thirty days after service. It cannot be enforced until then. It need not be obeyed until then. But the object of the suit is to prevent that occurrence—to arrest its obligation, not as an executed exercise of power, but as a threatened exercise of power. The question, then, is, is the resolution of this character as tested by the Reagan case? "It is not the function of the courts," says that case, "to establish a schedule of rates. \* \* \* Our inquiry is limited to the effect of the tariff as a whole, including therein the rates prescribed for all the several classes of goods, and the decree must either condemn or sustain this act of quasi legislation."

Does not this mean that the power of the courts is confined to review only? What judgment is to be exercised is beyond their control. A regulation being determined by a Board of Railroad Commissioners, then an inquiry as to its reasonableness will be entertained and judicially sustained or condemned as it is that or not that.

Is the 25% resolution such a determination?

The resolution is as follows:

"*Resolved*, That the present rates of charges for the transportation of freights in California by the Southern Pacific Company, and its leased lines, are unjust to the shippers of the State; therefore, be it

"*Resolved*, That the present rate of charges for the transportation of freights in California by the Southern Pacific Company, and its leased lines, be subjected to such an average reduction as, including all reductions made therein since December 1, 1894, shall equal an average reduction of 25% upon said rates as in existence on said December 1, 1894;

"*Resolved*, That this Board proceed at once to adopt a revised schedule of rates in accordance herewith, in order that the same may be in force on or before January 1, 1896; and be it further

"*Resolved*, That, if the necessities of the case so require, this Board will at once proceed to the ascertainment of the proportion of the reduction due any commodity which, by reason of its nature, requires to be moved between now and the time herein fixed of the taking effect of said general reduction."

The language of the resolution is positive as to the necessity of the reduction and as to the amount, and upon what consideration and evidence it was based, Mr. La Rue recites in his affidavit, as follows:

That the reduction in grain rates established, and the further reduction upon all other classes of freights generally proposed, were not resolved arbitrarily, but after a complete individual and official investigation of the existing rates upon the various roads and of the effect thereof upon the commerce of the State; upon the earnings and expenses, the revenues, the fixed charges, bonded indebtedness, and net income of said lines of railroad of said corporations. That a full and complete hearing, covering a number of days, was accorded complainants, who appeared by attorney, and that a large number of witnesses were examined; that the grain and other rates were fully investigated, and from such investigation affiant affirms his belief that the grain and other rates in existence on the 12th of September, 1895, on said railroads "were and are excessive, exorbitant, and discriminative, and were and are a burden upon and unjust to the shippers of California"; that the grain reduction, and reduction in other rates, "as is indicated in said resolution, would be fair, just, and reasonable, both to the shippers of the State and to each and all of the alleged lessors of said complainant owning lines of railroad within the State of California and within the jurisdiction of said Board and to said complainant."

There are repetitions of these allegations in other paragraphs.

Language can hardly be clearer or stronger. It opposes to the allegations of the bill the utmost explicitness of statement (repeated in several ways) that the rates are unjust, discriminative, and burdensome. And this conviction is expressed upon an individual and collective investigation into all the elements of judgment regarding the interest of the roads and the interests of the State. I repeat, language can hardly be clearer or stronger. It is a confident declaration of knowledge, and seems to leave as to the totality of the reduction no fact to be inquired about—none of its justice or the duty and purpose of the Board. It would seem, therefore, to bear the test of the *Reagan case*. But, in other affidavits, Mr. La Rue and Mr. Stanton aver that they did not intend the resolution as a final judgment of the Board; but that the Board intended a more definite and particular investigation into the conditions of the several railroads forming the Pacific System of complainant, and that regulation or non-regulation will depend upon that investigation, and more explicitly and emphatically have they stated this through their counsel.

Mr. Hayne said: "They (the Commission) say that they do not consider it binding, and are not going to do anything without further consideration, which, of course, may lead to very different results. The service, if it is to be made, has to be made by their order, by their authority. And they have not yet even *made up* the schedule which is to be served.

They come here, high officers of State, and swear they are not going to take the action without a further, full, free, and fair investigation."

I am disposed to accept this as true and sincere. Indeed, I do not know how not to do so regarding them, as they must be regarded as truthful, nor do I care to risk the slightest embarrassment to them as officers in any proper investigation of the complainant or any of its constituent roads, the results of which cannot be put into force, even if it was desired to, except in a direct and open way, and the detriment of which, if any, can be arrested before it falls.

The respondents object to the remedy of the bill, and insist that no injunction can be granted, because the things to be restrained, it is claimed, are criminal prosecutions, and them a court of equity cannot enjoin.

The answer to this contention is, that this is not a suit to restrain a criminal prosecution. It is a suit to restrain an asserted illegal action of the Board of Railroad Commissioners which will injuriously affect the interests and property rights of the complainant. Besides, the contention is fully answered by authority. Mr. Justice Miller, in his concurring opinion in *Chicago, etc., Railway Company vs. Minnesota*, 134 U. S. 459, laid down certain principles in the form of propositions which should govern the class of questions with which this case is concerned. After stating the power of the Legislature, either directly or through the agency of a commission, to regulate rates, and the limitations upon such power to be that the rates should not be so unreasonable as to practically destroy the value of the property, or so exorbitant as to be in utter disregard of the rights of the public, said:

"4. In either of these classes of cases there is an ultimate remedy by the parties aggrieved, in the courts, for relief against such oppressive legislation, and especially in the courts of the United States, where the tariff of rates established either by the Legislature or by the Commission is such as to deprive a party of his property without due process of law.

"5. But until the judiciary has been appealed to to declare the regulations made, whether by the Legislature or by the Commission, voidable for the reasons mentioned, the tariff of rates so fixed is the law of the land, and must be submitted to both by the carrier and the parties with whom he deals.

"6. That the proper, if not the only, mode of judicial relief against the tariff of rates established by the Legislature or by its Commission, is by a bill in chancery, asserting its unreasonable character and its conflict with the Constitution of the United States, and asking a decree of court forbidding the corporation from exacting such fare as excessive, or establishing its right to collect the rates as being within the limits of a just compensation for the services rendered.

"7. That until this is done it is not competent for each individual having dealings with the carrying corporation, or for the corporation with regard to each individual who demands its services, to raise a contest in the courts over the questions which ought to be settled in this general and conclusive method."

The respect which Mr. Justice Miller's opinion on any proposition receives would justify me in resting my decision of this point on his views, but he is supported by Mr. Justice Brewer in the *Dey case*, also by the *Gill case*, 156 U. S. 659, where his words are quoted and



approved, and by the implied authority of the *Reagan case*, and other cases.

There are two other propositions made by respondents which precede the consideration of the merits, properly so called. They are as follows:

(1) That the leases, executed by the several lessor companies to the complainant, by the terms of which all of their franchises and property were transferred, are void, because executed without express congressional or legislative authority, and, therefore, *ultra vires* of the purposes for which those corporations were created: to wit, the six California corporations, namely, Central Pacific Railroad Company, the Southern Pacific Company of California, South Pacific Coast Railway Company, the Northern Railway Company, and the Northern California Railway Company, without the authority of the California Legislature; the Central Pacific Railroad and the Southern Pacific Railroad Company without express Congressional authority.

(2) That the so-called Pacific System is an unlawful combination, in violation of Section 20, Article XII, of the Constitution of the State.

These propositions are countered by the complainant by the objections that the Board of Commissioners cannot be heard to make either proposition; not the first, because the leases are not open to collateral attack on the ground of *ultra vires* in this proceeding and under the circumstances of this case; that the sovereign alone can object, and that they must be held valid until declared otherwise by a direct proceeding. Not the second, because the Board of Railroad Commissioners has dealt with and its proceedings and orders are against the Southern Pacific Company and not the several or any of the lessor companies.

These counter propositions should be first considered, and if well made will save an inquiry of the strength of the others, and many independent ones which have been argued at length and with ability by counsel. The consideration falls under two heads:

(1) Abuse of powers. Acts in excess of its conditions and limitations. These, it is conceded, are not subject to collateral attack.

(2) Total want of power without limitation or qualification. These, it is asserted, are open to collateral attack by anybody, and the ground of it is said to be an antagonism to public policy.

The cases cited by respondents' counsel undoubtedly establish that a railroad company has only the powers conferred by its charter, and that contracts in excess of these are void; and, if void as to one party, void as to all parties. For this doctrine, however, the decisions of the Supreme Court are sufficient. Mr. Justice Gray said, in *Central Transportation Company vs. Pullman Car Company*, 139 U. S. 40: "Upon the authority and the duty of a corporation to exercise the powers granted to it by the Legislature, and those only; and upon the invalidity of any contract, made beyond those powers, or providing for their disuse or alienation; there is no occasion to refer to decisions of other courts, because the judgments of this court, especially those delivered within the last twelve years by the late Mr. Justice Miller, afford satisfactory guides and ample illustrations."

The learned Justice then reviews the cases, and sums up as follows:

"The clear result of these decisions may be summed up thus: The charter of a corporation, read in the light of any general laws which are applicable, is the measure of its powers, and the enumeration of those powers implies the exclusion of all others not fairly incidental.

All contracts made by a corporation beyond the scope of those powers are unlawful and void, and no action can be maintained upon them in the courts, and this upon three distinct grounds: The obligation of every one contracting with a corporation, to take notice of the legal limits of its powers; the interest of the stockholders, not to be subjected to risks which they have never undertaken; and, above all, the interests of the public, that the corporation shall not transcend the powers conferred upon it by law. A corporation cannot, without the assent of the Legislature, transfer its franchise to another corporation, and abnegate the performance of the duties to the public imposed upon it by its charter as the consideration for the grant of its franchise. Neither the grant of a franchise to transport passengers, nor a general authority to sell and dispose of property, empowers the grantee, while it continues to exist as a corporation, to sell or to lease its entire property and franchise to another corporation. These principles apply equally to companies incorporated by special charter from the Legislature, and to those formed by articles of association under general laws."

This must be accepted as law. But is it applicable to the case at bar? The instance upon which it was expressed arose out of a controversy between the parties to the act which was held to contravene public policy, and of like kind were the cases cited and reviewed.

The contract being void as to one of the parties was void as to all. But the case at bar is not between the contracting parties—not between the Southern Pacific Company and its various lessor companies. It is concerned alone with the acts of the State as affecting the property of one of its citizens or residents. There is no element of antagonism to public policy, as that is understood and involved in the cases cited. There are no contracting wrongdoers seeking to avoid or enforce an act of misfeasance. The case of *Central Transportation Company vs. Pullman Car Company*, hence, lacks an essential analogy to the case at bar. It, besides, seems inapplicable, not only from the essential nature of the Board of Railroad Commissioners, but from the terms of the Constitution of the State. The power and duty of the Board is "to establish rates of charges for the transportation of passengers by freight and other transportation companies" (Sec. 22, Art. XII, Constitution), and the Act in aid of the Constitution continues the idea, and provides as follows:

"Section 14. The term 'transportation companies' shall be deemed to mean and include:

"First—All companies owning and operating railroads (other than street railroads) within this State."

\* \* \* \* \*

"The word 'company,' as used in this Act, shall be deemed to mean and include corporations, associations, partnerships, trustees, agents, assignees, and individuals."

It was admitted in the argument that the Board of Commissioners dealt with transportation companies as they existed as a fact, not with the validity of their existence. It is easily conceivable that if the latter were necessary, confusion and weakness of administration would result.

On the argument the following colloquy occurred between counsel; Mr. Garber, one of the counsel for complainant, and Mr. Hayne, one of the counsel for respondent:

"MR. GARBER (among other things). Even if the State of California, in the exercise of its police power and the power to regulate rates and

charges of these companies, could itself have gone back of the concrete fact of operation and transportation and use by the companies, it has not conferred upon this Commission any such power. Every feature, every line of this constitutional provision, and of the statute reinforcing it, negatives any such thought, in my judgment.

"MR. HAYNE. That is, that the Commission should inquire into——

"MR. GARBER. Into the validity of this lease. I say they have no power to do it.

"MR. HAYNE. We do not say that the Commission has that power, but we say that, when the complainant comes before the court, the court has it."

And it was further admitted that the question of *ultra vires* and public policy and fraud, which had been discussed in court, the Commission had not the power to entertain; but it was claimed that the validity of the leases and their character became a link in complainant's chain of title—a condition of its right, if I understand the claim, of its appeal to a court of equity. But this is not so. The condition of its appeal to a court of equity is that it has assumed to be, and that the State has assumed it to be, a transportation company, and has dealt with it as such—regulated properties in its possession as such. In question of its rights? Certainly not; but only in regulation of them, and how can a court judge of the regulation but as the Commissioners did? And what rights or wrongs of the complainant can the court consider which the Commissioners could not? If complainant could be regulated, it can complain of that regulation. It and the Commission were not parties to an illegal contract from which the law will give no relief—leaving them where they put themselves, as in the cases cited by counsel. The Board of Railroad Commissioners is a governmental agent, performing a duty, executing a power. It acts (either administratively, judicially, or legislatively; it is not necessary now to consider which) for the State. Ought it to say—can it be heard to say—that any person can be an outlaw to its action? Would this not be an absolute perversion of its powers? Can the Commission, being bound by a fact, or having the right to assume a fact, in its action, yet question the fact when its action is complained of? A negative is so self-evident that it seems to be weakened by an attempt to support it. Certainly analogies from cases of wrongdoers help us nothing. The law (which is the State), for wisest policy, will give no help to wrongdoers. They being *in pari delicto*, the law gives aid to neither. But wouldn't it be anomalous, if nothing more, for the law itself to claim to be *in pari delicto* with anybody, and that, too, by proceedings *in invitum*, and then assert irresponsibility or immunity by it? As I have said, a negative seems self-evident, and the only difficulty I have found in the contention of respondents is in the ability and earnestness of the counsel who urge it, and I pass it now—with something of the feeling that I may not understand it, and, because not understanding it, do not appreciate its strength.

The Commissioners dealt with the Southern Pacific Company. Their notices were served on it, their hearings were granted to it, and the grain schedule was served on it. The object of the other resolution is the regulation of it. It is only its officers, agents, or employes who could be fined or imprisoned for violation of such regulation, for it is only they who could demand or receive rates in excess of those prescribed. The strength of this reasoning was felt somewhat by counsel for the

respondents, and it was sought to be answered by saying that the Southern Pacific Company was the agent of its lessor companies. If this, as an argument, be not *felo de se*, its inadequacy is apparent. If accepted fully, and it must be if at all, the civil and criminal responsibilities would be staggering. I think, therefore, that, as the Southern Pacific Company was regulated, it may complain of that regulation; that if its possession and management of the railroad properties could be assumed or accepted as valid by the Board of Commissioners for the purpose of regulation, they may be by the court, in order to review the justness of that regulation. This is consistent and rational—makes effective the Constitution and the laws, and gives full and efficient exercise to and execution of the powers of the Board.

Farther than this I do not now consider it necessary to go. May be, farther than this I cannot go; for beyond this there are serious questions. A Railroad Commission is a State instrumentality, having the power, and obliged as a duty, to regulate the rates on railroads of the State. It may do so on one and all, according to the conditions and circumstances of each. Surely so, if the roads be under separate ownership and management, and may be so when united in ownership or management.

It is seriously disputable if any road can remove itself from amenability to regulation, even if it have the power to lease. Under the power to lease, the operation of the road may be transferred, but transferred with all legal burdens on its head, with all the compulsory submissions to which it is subject.

However, these questions may be passed now to puzzle a future consideration, as well as that other, and even more serious one, of what makes the value of a railroad. The question came up in the *Ames case*, but only came up, but was not answered. Is it what it cost, or what it could be built for, or what it can charge if not regulated?

This view makes it unnecessary to consider whether the Act of the State of California, passed in 1861 and amended in 1863 (Stats. 1863, p. 613), which reads as follows: "Any railroad corporation organized under the Act to which this is amendatory shall have the right to lease the whole or any portion of their road to any other corporation organized under this Act, or to grant to any such corporation the right to use in common any portion of their road"; or the Act of April 3, 1880 (Stats. 1880, p. 21) entitled "An Act permitting and authorizing railway and other corporations, organized under the laws of this State, or of any State or Territory, or any Act of Congress of the United States of America, to do business on equal terms," confer on railroads the power of leasing, or that the latter Act is unconstitutional because its object is not expressed in its title, or to determine the other controversy raised on the statutes of the State of Kentucky incorporating the Southern Pacific Company.

It is also contended that the Constitution applies to all corporations, foreign and domestic, and that its provisions are binding upon both, without, as I understand counsel, the right of objection on the part of either to their invalidity, for the following reasons:

(1) On foreign corporations, even though void as to domestic ones, because it is a condition of their doing business within the State.

(2) On domestic corporations, because it is an amendment to their

charters, and hence an exercise of the reserve power of the State to alter and amend them.

If the contention is true, what limitation is there to the power of the Legislature? All constitutional restraints seem to be abolished by it, and corporations, foreign and domestic, are subject to the will of the Legislature. As to foreign corporations, counsel for respondents declare this. "It is not a question of power," says one of the counsel; "it is a question of will." If it is a question of will as to foreign, it is also a question of will as to domestic corporations, and the only admitted exception of its exercise is the physical taking of the property of the corporation—of a railroad corporation (to make the application to the kind we are considering), of its rails and cars. It may put such conditions on their use as it pleases, and these though they would be invalid as unconstitutional exercise of power against a natural person or a co-partnership of natural persons owning or using the same kind of property. This is a serious discrimination, and, even if the power to make it be granted, when we should come to interpret the legislative will we well might object to imply it from anything but the clearest language definitely used.

That the California Constitution had such intention can hardly be contended; that it contemplated or implied conditions upon foreign corporations or domestic ones cannot be contended. It was a regulation, not of corporations, but of railroads, no matter by whom owned or managed. This disposes of the contention, certainly as to foreign corporations. I cannot take the power to do a thing for the exercise of it and put conditions and discriminations in the Constitution which are neither expressed in it nor contemplated by it. As to domestic corporations, if anything further be necessary (and the reasoning is applicable to foreign corporations), it is found in the *Railroad Tax Cases*, 13 Fed. Rep. 722-789. It is there said that the power of amendment of the charter of corporations, or of the law under which they are formed, is not a power to withdraw them from the guaranties of the Federal Constitution. "Whatever the State may do," Mr. Justice Field, sitting as Circuit Justice, said, "even with the creations of its own will, it must do in subordination to the inhibitions of the Federal Constitution. It may confer, by its general laws, upon corporations certain capacities of doing business, and of having perpetual succession in their members. It may make its grant in these respects revocable at pleasure; it may make the grant subject to modification and impose conditions upon its use, and reserve the right to change these at will. But whatever property the corporations acquire in the exercise of the capacities conferred, they hold under the same guaranties which protect the property of individuals from spoliation. It cannot be taken for public use without compensation. It cannot be taken without due process of law, nor can it be subjected to burdens different from those laid upon the property of individuals under like circumstances. The State grants to railroad corporations formed under its laws a franchise, and over it retains control, and may withdraw or modify it. By the reservation clause it retains power only over that which it grants. \* \* \* The reservation relates only to the contract of incorporation, which, without such reservation, would be irrepealable. It removes the impediment to legislation touching the contract. It places the corporation in the same position it would have occupied had the Supreme Court

held that charters are not contracts, and that laws repealing or altering them did not impair the obligation of contracts. The property of the corporation, acquired in the exercise of its faculties, is held independently of such reserve power, and the State can only exercise over it the control which it exercises over the property of individuals engaged in similar business."

And Judge Sawyer said, on page 777: "The Legislature, under the various guaranties of the Constitution, State and National, can only take away, limit, enlarge, or modify that which it gave. And what is given in the creative act is, simply its capacities; its legal faculties, including all such as are essential to its corporate existence; all those powers which are strictly corporate, being those powers which can only be given by legislative act; powers not possessed by natural persons or partnerships, acting in their natural, individual, or associate characters, independent of legislation. These strict corporate powers I attempted to define in *Orton's case*, 6 Sawy. 187."

The cases cited by respondent's counsel to sustain their contention are distinctly different from the case at bar. In all of them, except those especially noticed hereafter, the power exercised was the ordinary governmental and sovereign one of taxation (*Tomlinson vs. Jessop*, 15 Wall. 456; *Hamilton Gas & Light Co. vs. Hamilton*, 146 U. S. 258; *Schurtz vs. Cook*, 148 U. S. 397, 113 N. Y. 311; *Railway Co. vs. Maine*, 96 U. S. 499), or an administrative regulation of the affairs of the corporation to secure creditors and stockholders (*Sinking Fund Cases*, 99 U. S. 700), or an exercise of a right under the laws of Massachusetts to regulate the right of fishery (*Holyoke vs. Lyman*, 15 Wall. 500). In all of these cases the impediment to the exercise of the power was the charters of the respective corporations and their sanctity as contracts. It was held that there was not impairment of their obligation as contracts, because the right of amendment formed part of the contract and was of the same obligatory character.

In *Greenwood vs. Freight Company*, 105 U. S. 13, the instance of the exercise of this right was the repeal of the act of incorporation. There was no question of control over property or its uses, and what existed over either by the right of repeal of the acts of incorporation is explained in the railroad cases *supra*, and will be referred to hereafter.

In *Spring Valley Water Works vs. Schottler*, 110 U. S., the law under which the corporation plaintiff was organized provided a special commission to fix water rates. By the Constitution of the State, subsequently adopted, that power was given to the Board of Supervisors of San Francisco. It was held to be a valid exercise of the reserve power to alter or amend the law. The power abstractly to regulate rates was not involved—only by what instrumentality, whether by the Commission or by the Board of Supervisors—and the corporation contended for the Commission, because the law incorporating it was a contract and inviolable. The Court, speaking by Mr. Justice Waite, said:

"Long before the Constitution of 1879 was adopted in California, statutes had been passed in many of the States requiring water companies, gas companies, and other companies of like character to supply their customers at prices to be fixed by the municipal authorities of the locality; and, as an independent proposition, we see no reason why such a regulation is not within the scope of legislative power, unless prohibited by constitutional limitations or valid contract obligations.

Whether expedient or not is a question for the Legislature, not the courts."

As to the power of the Legislature to fix prices, the Court cited and followed *Munn vs. Illinois*, 94 U. S. 113, which at that time had not been directly modified, as it came to be afterward, but, with caution, said: "What may be done if the municipal authorities do not exercise an honest judgment, or if they fix upon a price which is manifestly unreasonable, need not now be considered, for that proposition is not presented by this record. *The objection is here, not to any improper prices fixed by the officers, but to their power to fix prices at all.*" I put the last sentence in italics, because it distinguishes the case from that at bar. In that at bar the contention is that the Railroad Commission has the power to fix any prices, or, rather, any rates, proper or improper, and that corporations must submit as a condition of their existence.

*Stone vs. Wisconsin*, 94 U. S. 181, *Ruggles vs. Illinois*, 108 U. S. 526, *Tilley vs. Savannah Ry.*, 5 Fed. 664, were cases of rates, but they all followed *Munn vs. Illinois*, and were affected by its error, to wit: that the power of regulation of rates was unlimited in the Legislature, and, hence, this being the extent of the power, it could be exercised, if not expressed in the charter of the corporation, under the reserve right of amendment. But when this power became limited, as it did become limited, first by cautious expressions, as in *Spring Valley Water Works vs. Schottler*, *supra*, and the *Railroad Commission Cases*, then by confident contrary enunciation, as in the *Chicago, Milwaukee & St. Paul Ry. Co. case*, 134 U. S. 418, constitutional limitations and all rules which direct justice in the courts were necessarily observed and enforced. Mr. Justice Waite's monitory words in the *Schottler case* have been given. In the *Commission Cases* he advanced beyond caution and came nearer to affirmation. He said, "From what has been said it is not to be inferred that this power of limitation or regulation is itself without limit. This power to regulate is not a power to destroy, and limitation is not the equivalent of confiscation. Under pretense of regulating fares and freights the State cannot require a railroad corporation to carry persons or property without reward, neither can they do that which in law amounts to a taking of private property for public use without just compensation or without due process of law."

Finally, in the *Minnesota case*, the Supreme Court definitely modified *Munn vs. Illinois* and confined the power of the regulation to that which was just and reasonable, giving to the courts the ultimate power of review, and holding that any enactment which takes away this offends the Constitution of the United States by depriving the corporation of its property without due process of law and depriving it of the equal protection of the laws.

By many decisions since, this has become the settled law, and hence we are brought to the doctrine of the *Railroad Tax Cases* and are convinced of the correctness of its soundness, that, "Whatever the State may do, even with the creations of its own will, it must do in subordination to the inhibitions of the Federal Constitution," a doctrine rational, consistent, safe, giving to property, and all interests in it, protection against an arbitrary will, and not denying or dissipating the safeguards of the Constitution by refined and metaphysical distinctions.

This disposes of what may be termed the preliminary contentions of respondents. There are others which will be considered hereafter. There

are some urged by complainant. The most extreme one it is difficult to state succinctly and make it understood. The counsel who made it concedes the power of regulation, but very guardedly defines its limits. He says it cannot be exercised to transcend the prohibitions of the Fourteenth Amendment of the Constitution, and, stating it more directly, says, claiming to quote Mr. Justice Field, in *Georgia Banking Company vs. Smith*, 128 U. S. 179-180, that its only rightful exercise is "to prevent extortion by unreasonable charges and favoritism by unjust discrimination." This, counsel says, is the fullest power the State has, either by Legislature or Commission, and the fullest power the State in reason should want or exercise. To bring into clear prominence his idea, he stated the value of a railroad to be what it could earn without interference with its rates, under what he termed the normal play of natural and economic laws, and if, in exercising this liberty, it treat all alike, then a reduction of its rates would be a taking of property without compensation, or depriving it of the equal protection of the laws. An explanation of these economic laws we need not make, but it is certain that they are not the same for a road which has no competitors as for a road which has competitors; not the same for monopoly as for competition. In the former case, what certainty would there be of a reduction of rates? That would depend upon the railroad's sense of its own interests and the public interests. This sense might or might not be an enlightened one—might or might not be a liberal one—and economic laws might, therefore, plead in vain for observance. I do not say that they would, but might, and does not experience of the disposition and conduct of men admonish that all power is at times abused? The right—abstract right—of the State, therefore, to reduce rates seems to be a necessity. Whether it should in any case be exercised or not, is another question. Does the right exist? That I think it does, I may have sufficiently indicated in considering the contentions of respondents, and it is only necessary to give my views more definiteness.

We have already seen that *Munn vs. Illinois* was the pioneer case. What it decides there is no dispute about. The controversy is over how much of it is overruled. The complainant says all of it, and that by later decisions the court has adopted and established the views of Mr. Justice Field's dissenting opinion.

In the matter with which we are now concerned I might question the correctness of counsel's interpretation of Mr. Justice Field's opinion, but I prefer to consider, though very briefly, the cases more directly.

*Munn vs. Illinois* was a case concerning the reduction of warehouse rates—not so indisputably a public interest as railroads'. It established two propositions:

(1) That of the power of the State to regulate property devoted to a public use;

(2) That the exercise of this power to settle rates of charges was a legislative prerogative, not a judicial one. That is, there was no review of them by the judiciary. What they were fixed at they could remain fixed at, even though unreasonable, and that the only relief was in the justice of the people, expressed through another Legislature.

The first proposition, as to the power of the State, has not been overruled; the second proposition, as to its right of exercise without judicial review, has been overruled, and the relations of common carriers and the State established in excellent equipoise. The power of the State



stops at injustice. The rights of a railroad stop at injustice. The State may not fix a rate unreasonably low. It may prevent a railroad from fixing one unreasonably high. If the law gives a railroad privileges, it exacts from it duties. It exacts that it serve all at reasonable charge; serve all faithfully and without favor or discrimination.

The other contentions of the complainant either deny the legality of the Commission or the legality of its action.

Under the first it is urged that the provision of the California Constitution, which makes the rates conclusively just and reasonable in all controversies, civil and criminal, is in conflict with the Fourteenth Amendment to the Constitution of the United States.

(3) Being void, and being also indissolubly blended with the provisions creating the Commission, these are also void.

(4) That no notice to the railroads is provided for.

(5) That the provisions of the Constitution apply to railroads owned by railroad corporations and companies, and not to railroads generally, and that its penalties have also the same discrimination, and hence the complainant is deprived of the equal protection of the laws.

Under the second, it is urged that two of the Commissioners (Mr. La Rue and Mr. Stanton) took such a pledge before election as to disqualify them from acting, and that Mr. La Rue was interested, because a shipper of grain, and hence a judge in his own case; and because the Board acted arbitrarily and contrary to the evidence or any evidence adduced before the Board.

It is, in effect, admitted, or, at any rate, it is established by authority, that the provision which gives conclusiveness to the rates fixed by the Commissioners is void, but it is claimed that it is clearly separable from the power to establish rates. The power, and the effect of the exercise of the power, as evidence, and the penalties which may follow from disobedience, are clearly separable, and being so, one cannot vitiate the other. In *Reagan vs. Farmers' Loan & Trust Company, supra*, similar contentions were made against a statute of the State of Texas which established a Railroad Commission, gave it power to establish rates, made them conclusive as evidence, and prescribed penalties for their disobedience. The enactments were as fully connected and dependent as the provisions of the California Constitution. Passing on the contentions, the Court said, by Mr. Justice Brewer:

"It is familiar law that one section or part of an Act may be invalid without affecting the validity of the remaining portion of the statute. Any independent provision may be thus dropped out if that which is left is fully operative as a law, unless it is evident from a consideration of all the sections that the Legislature would not have enacted that which is within, independently of that beyond its power. Applying this rule, the invalidity of these two provisions may be conceded without impairing the force of the rest of the Act. The creation of a Commission, with power to establish rules for the operation of railroads and to regulate rates, was the prime object of the legislation. This is fully accomplished whether any penalties are imposed for a violation of the rules prescribed, or whether the rates shall be conclusive or simply *prima facie* evidence of what is just and reasonable. The matters of penalty and the effect as evidence of the rates are wholly independent of the rest of the statute. Neither can it be supposed that the Legislature would not have established the Commission and given it power

over railroads without these independent matters. In other words, it is not to be presumed that the Legislature was legislating for the mere sake of imposing penalties, but the penalties and the provision, as to evidence, were simply in aid of the main purpose of the statute. They may fail, and still the great body of the statute have operative force, and the force contemplated by the Legislature in its enactment."

It is, however, further urged that the conclusive provision was the main inducement of the others, and that the latter would not have been adopted independently of the others, and to sustain this view extracts are given from the speeches of certain of the members of the Constitutional Convention. They are too long and too many to quote. It is enough to say that they do not go that far, and besides, the speakers were but a few members of a large convention, and, besides again, they can be no index of what intention the people had by their adoption of the Constitution.

The objection that the provisions of the California Constitution creating the Board of Railroad Commissioners is invalid, because they do not require notice to the railroads, is certainly doubtful as law, if it be not disputable as a correct interpretation of those provisions. As law, the objection seems to find some support in the *Minnesota case*. The case came up on writ of error to review the decision of the Supreme Court of Minnesota. That court had decided that it was the expressed intention of the statute of the State that the rates recommended and published by the Commission created by it should not simply be advisory nor merely *prima facie* equal and reasonable, but final and conclusive as to what are equal and reasonable charges. In other words, to quote from the opinion of the Supreme Court of the United States, "Although the railroad is forbidden to establish rates that are not equal and reasonable, there is no power in the courts to stay the hands of the Commission, if it chooses to establish rates that are unequal and unreasonable." It was on account of this meaning of the Act that the Supreme Court held it to conflict with the Constitution of the United States. Mr. Justice Blatchford, in comment on the provisions of the statute, says:

"No hearing is provided for, no summons or notice to the company before the Commission has found what it is to find and declared what it is to declare, no opportunity provided for the company to introduce witnesses before the Commission, in fact, nothing which has the semblance of due process of law; and although, in the present case, it appears that, prior to the decision of the Commission, the company appeared before it by its agent, and the Commission investigated the rates charged by the company for transporting milk, yet it does not appear what the character of the investigation was or how the result was arrived at."

But it is manifest that this was urged as removing an objection to the final conclusion of the court not as an essential or basic condition of itself. This conclusion was that "The question of the reasonableness of a rate of charge for transportation by a railroad company, involving as it does the element of reasonableness both as regards the company and as regards the public, is eminently a question for judicial investigation, requiring due process of law for its determination"; and, if deprived of it, the company's property is taken without due process of law and in violation of the Constitution of the United States. This

view of the case seems evident from the concluding paragraph of the opinion. Mr. Justice Blatchford said:

"In view of the opinion delivered by that court, it may be impossible for any further proceedings to be taken other than to dismiss the proceeding for a mandamus, if the court should adhere to its opinion that, under the statute, it cannot investigate judicially the reasonableness of the rates fixed by the Commission. Still, the question will be open for review."

The question could not be open for review if there was an antecedent defect in the creation of the Commission which rendered any exertion of duties invalid because the statute creating it had not provided for notice to the railroads affected by such exertion of duties. But Mr. Justice Miller, in his concurring opinion, is very direct and clear. He said:

"I do not agree that it was necessary to the validity of the action of the Commission that previous notice should have been given to all common carriers interested in the rates to be established, nor to any particular one of them, any more than it would have been necessary, which I think it is not, for the Legislature to have given such notice if it had established such rates by legislative enactment. But when the question becomes a judicial one, and the validity and justice of these rates are to be established or rejected by the judgment of a court, it is necessary that the railroad corporations interested in the fare to be considered should have notice and have a right to be heard on the questions relating to such fare, which I have pointed out as judicial questions. For the refusal of the Supreme Court of Minnesota to receive evidence on this subject, I think the case ought to be reversed on the ground that this is a denial of due process of law in a proceeding which takes the property of the company, and if this be a just construction of the statute of Minnesota it is for that reason void."

These views seem to satisfy all the purposes of the State and all the rights of the railroads. The Commission undoubtedly exercises a function which the Legislature would otherwise exercise. It should be as full with the Commission as with the Legislature, and in both subject to the same judicial investigation as we have already seen it is, and thereby giving to the railroad that protection to their rights and property which the Constitution guarantees.

The third ground urged, to wit: that the Constitution is discriminative as to railroads as they are owned or not owned by corporations or companies, is answered by the interpretation of the provisions by the Supreme Court of the State in *Moran vs. Ross*, 79 Cal. 163, in which that Court said: "In our judgment, the control of the Railroad Commission, as provided for, is not confined to corporations. It extends, by its terms, to railroad corporations and 'transportation companies.' This should be construed to extend the supervision of the Commission to all persons engaged in the business of transportation, whether as corporation, joint-stock companies, partnerships, or individuals, and so it has been construed by legislative enactment."

The legislative enactment referred to is the Act of April 15, 1880, which was passed under an enabling clause in the Constitution. Section 14 of the Act, after providing what should be meant and included by the term "transportation companies," further define the word "company" "to mean and include corporations, associations, partnerships, trustees,

agents, assignees, and individuals." This construction is binding upon this court. (*Chicago, etc., R. R. vs. Minnesota, supra.*)

As part of the argument against the validity of the State Constitution, it is said that it provides "for the fixing of conclusive rates, and rates of that character only; that the word 'reasonable' is not written in the law; that it does not appear there, either expressly or by implication." Regarding this objection as not included in those already replied to, it is only necessary to say that the direction to the Commissioners to establish rates must be understood as a direction to establish just and reasonable ones. Making the rates conclusive as evidence is a different thing from making them or directing or intending them to be made unreasonable. And the former is held void, not because the rates to which it gives conclusiveness will be unreasonable, but because they may be so, and a judicial investigation is attempted to be prevented.

The other contentions based on the interest of La Rue as a shipper of grain, and on the pledges of La Rue and Stanton before election, are of no especial consequence—the former because the grain-rate resolution was adopted by an unanimous vote, and the latter because, after all, the final inquiry must be, were the reductions resolved upon reasonable? And we are aided little in that inquiry, or into the conditions and circumstances involved in it, by a consideration of Mr. Stanton's prejudice or non-prejudice.

This brings us to the other contentions of respondents and to the merits of the controversy. They are:

(1) That (to quote the Attorney-General) "the term 'unreasonable,' as applied to rates of charges fixed by the Legislature, or a body entrusted by a State Constitution with that branch of legislation, means nothing more nor less than confiscation." In other words, if such rates produce any revenue, much or little, they are reasonable.

(2) That they (respondents) are entitled to have the grain rates considered separate from the 25% resolution; that there must be a showing as to each, not as to both indistinguishably.

(3) Even if joined, the showing is not sufficient.

(1) This is claimed to be established by authority. I do not think so. It seems to have been decided in the *Dey case*, 35th Federal. But the same learned Judge who expressed that view in the *Dey case* retracted it in the *Ames case*, 64th Federal, and it has received no judicial sanction since. This was inevitable when it came to be seen that the regulation of rates could not be an absolute legislative prerogative. When the power of judicial review was asserted and entertained, the Fourteenth Amendment to the Constitution was bound to be firmly and accurately applied. There could be no middle ground. Middle ground would satisfy neither legislative prerogative nor judicial prerogative; certainly not the judicial prerogative. That must apply justice as it is understood of men, and in its clear light it was inevitable that it would come to be seen that the Fourteenth Amendment of the Constitution would be a composition of delusive words if it forbid only the taking of the physical property, while it permitted the taking of its value—if its guaranties of the law's equal protection to all persons would be satisfied as to railroads by leaving them a microscopical profit. If so, the Pool of Tantalus would lose its force to illustrate excited and disappointed expectation when compared with the organic law of this great land. We should keep in mind that the regulation of a railroad

affects, in reality, the natural persons who own it, not the insensible legal artificiality and abstraction called a corporation. For the natural persons the protection of the Constitution is intended, and would any one say that justice is done them if their investment be allowed only an infinitesimal fraction of one per cent, while all other investments are expected to return at least legal interest, with freedom besides of unlimited advantage?

One of the counsel for respondents at the oral argument frankly admitted that if injustice was threatened, all who were in would hurry out of the ownership of railroad property. Of not a dissimilar alternative, Mr. Justice Brewer said, with strong metaphor, that the apples of Sodom were fruits of joy in comparison.

That the power of regulating rates was intended to be exerted to that effect no one will contend for—that it may not be so exerted, safeguards are needed. It is against not only what may be done, but what can be done that preventive laws are directed. And if it be said that justice may be exercised by a Legislature or a Commission, a sufficient answer is that it is a rule of our polity that the ultimate exercise of that is best committed to the courts. This may offer restraint sometimes even to good purposes, but would we not be as children, thoughtless and insensible, if we felt the restraint more than the evil it may prevent?

(2) The respondents are entitled to have the grain rates considered separately from the 25% reduction on other freights; but the showing may be good for either and hence need not distinguish. Mr. Hayne, for the respondents, puts this objection in another form. He says, granting a deficiency of revenues, it does not necessarily appear that this is the result of grain rates. They may be too high. That a determination of the effect of a reduction of them involves an examination of the validity of every other rate. "You do not get any light," the counsel says, "by taking general results, because it is quite consistent with the general result that the grain rates are nine or ten times too high, and that the others may be too low. It may be that the difficulty is in some other rate. If so, the applicant for relief ought to show it." It would seem, also, if this were so, that the respondents might show and should show it against the statement of the complainant that the rates are not discriminative; but another answer is that such a showing would be too extensive for a preliminary inquiry, and absolutely intractable by affidavit. Still another answer is that the action of the Board negatives the fact upon which it is based. It does not seem conceivable, if that fact be true, that the Board of Railroad Commissioners would have passed a resolution which, by its horizontal application, preserved and maybe intensified whatever discrimination existed between the grain rates and other rates.

(3) The Attorney-General says that he can demonstrate, beyond the possibility of a plausible explanation, that complainant has failed to make such a showing as would entitle it to the relief prayed for, even if the 8% and 25% reductions could, under any circumstances, be considered jointly. On the other hand, Mr. Herrin says that complainant is not asking for a single dollar of dividend, because existing rates and business are not sufficient to earn dividends. It only seeks revenue enough to pay interest on bonds, to pay operating expenses, and to pay taxes. Present rates, under the experience of 1894, were insufficient for such payment.

The elements of the controversy will be stated as we proceed. It

may, however, be premised here that Mr. Justice Brewer said in the *Dey case*, "Compensation implies three things: Payment of the cost of service, interest on bonds, and then some dividend." Adequate dividend, subsequent cases say. These, then, are the factors of compensation to be applied.

Complainant's bill, after a somewhat detailed statement of the amounts payable by complainant under the leases to it, gives a summary of the receipts and expenditures, which shows, as operating expenses, the rent paid to the California Pacific road, in the sum of..... \$600,000 00

If the last (3d) be good, a deficiency on the Pacific System for the year of 1894 of..... 276,262 70  
For 1895..... 1,476,176 39

In the amendment to the bill there is an exhibit of the receipts and expenditures of the California roads of the system, showing a surplus for 1894 of..... 434,497 05  
For 1895 (ending June 30), a deficit of..... 863,691 29

The Attorney-General claims that this showing is incorrect, for three reasons:

(1) Because there is included a deficit of the Oregon & California road in the sum of..... 541,355 71

(2) Because there are included in expenditures on the various roads, for improvements and betterments, the sum of..... 654,826 81

(3) Because there is included in expenditures, as operating expenses, the rent paid to the California Pacific road, in the sum of..... 600,000 00

If the last (3d) be good, it is conceded that the deficit on the Pacific System, including the other objected items, will amount to..... 24,131 20

If not good, the deficit will amount to..... 54,905 65

For the time being I will assume this objection to be good, and will consider the other objections.

If the deficit of the Oregon & California road is a proper expenditure of complainant, it resulted from the insufficiency of the income to pay the interest on the bonded debt. This, of course, depends upon the terms of the lease from the Oregon & California Company. It provides that the Southern Pacific Company shall pay to the Oregon & California Company, on account of the road, from the income received from it, as follows:

The cost of operating such road and incidental expenses connected therewith, and "shall apply the residue of the amount of net income and earnings of said railroads to such extent as shall be required for the purpose to the payment of the interest \* \* \* upon the now existing bonded indebtedness."

The lease also provided that "on the 1st of May of each year the Southern Pacific Company shall pay to its lessor such balance, if any, of the net income for the year ended the 1st of December preceding as shall remain in its hands after all the payments for interest \* \* \* agreed to be made are paid."

It is, however, further provided that if the net income be insufficient to pay in full such current interest for the year, it shall be optional with the Southern Pacific Company to advance or pay for account of the Oregon & California Company such deficiency. If, however, it do so, it

shall be entitled to interest thereon at 6% per annum until reimbursed and shall be entitled to pay itself out of subsequent earnings or income of the demised premises and have a lien thereon and on such income.

It is objected that the payment of the deficit was optional, and again, because the amount paid is secured upon future revenues and on the demised premises. In other words, it was not a payment in any proper sense by the Southern Pacific Company for which it could charge.

Interest on bonded debt is held by all authorities to be a proper charge upon income, and hence, if the Oregon & California Company had operated its road such interest could be claimed by it; deficiency of income to pay such interest would be a loss to the company. But that is not the test. We have already seen (and important consequences follow from it) that the Board of Railroad Commissioners dealt with the Pacific System—dealt with the Southern Pacific Company as operating that system—not any individual road, but all the roads, and hence the regulation of the Board must be tested by the revenues of all the roads, not by the revenue of one. It is not what the Oregon & California Company might show, or what the Southern Pacific Company might show, for the operation of that road alone, but what it may show as to the system. This being so, the conclusion is obvious: Was the payment of the interest a loss to the Southern Pacific Company? Clearly not. It is secured to it and is to be reimbursed to it, and is charged in the report as a “balance deficit payable by Oregon & California Railroad Company.” Clearly, again, if it had not been paid, it could not be claimed as a loss. If paid and to be reimbursed and secured, it cannot be claimed as a loss, if the debtor or security be good. I cannot assume now that the debtor or the security will not be good. It may be, of course, that it will not be good, but I can only deal with present conditions, or, at any rate, with those likely to occur within a reasonable period of time. That, under the lease, the payment of the deficit is not a charge on the Southern Pacific Company, is not only evident from its terms, but evident from the allegations of the bill.

The second ground of objection, that is, that to improvements and betterments there will have to be considered, first, the abstract legality of such a charge, and, second, the competency of it under the leases.

The abstract legality of such a charge is established by the *Reagan case*. The same contention was made there, and a deduction of the sum of \$302,085 77 was claimed to have been charged to operating expenses, whereas it was expended for “cost of road, equipment, and permanent improvements.”

Mr. Justice Brewer, commenting on the claim, said:

“Again, the sum of \$302,085 77 appears in that table, under the description ‘Cost of road, equipment, and permanent improvements, admitted to have been included in operating expenses,’ and is added to the income as though it had been improperly included in operating expenses. But before this change can be held to be proper, it is well to see what further light is thrown on the matter by other portions of the report. That states that there were no extensions of the road during that year, so that all of this sum was expended upon the road as it was. Among the items going to make up this sum of \$302,085 77 is one of \$113,212 09 for rails, and it appears from the same report that there was not a dollar expended for rails, except as included within this amount. Now, it goes without saying that in the operation of every road there is a constant

wearing out of the rails and a constant necessity for replacing old with new. The purchase of these rails may be called permanent improvements, or by any other name, but they are what is necessary for keeping the road in serviceable condition. Indeed, in another part of the report, under the head of 'Renewals of rails and ties,' is stated the number of tons of 'New rails laid' on the main line. Other items therein are for fencing, grading, bridging and culvert masonry, bridges and trestles, building, furniture, fixtures, etc. It being shown affirmatively that there were no extensions, it is obvious that these expenditures were those necessary for a proper carrying on of the business required of the company."

Substantially to the same effect is *Union Pacific Railway Company vs. United States*, 99 U. S. 492. In the latter case, the court was called upon to interpret that clause of the Act of 1862, in aid of the construction of the Union Pacific Railroad, which provided that "after said road is completed, and until said bond and interest are paid, at least 5% of the net earnings of said road shall also be applied to the payment thereof." It may be said that there were several elements in that case which are not in the case at bar, but, nevertheless, the remarks Mr. Justice Bradley makes are substantially applicable. Speaking of when a railroad is completed, he said:

"In one sense, a railroad is never completed. There is never, or hardly ever, a time when something more cannot be done, and is not done, to render the most perfect road more complete than it was before. This fact is well exemplified by the history of the early railroads of the country. At first, many of them were constructed with a flat rail, or iron bar, laid on wooden string-pieces, resulting in what was known, in former times, as snake-heads—the bars becoming loose, and curving up in such a manner as to be caught by the cars, and forced through the floors amongst the passengers. Then came the T rail, and finally the H rail, which itself passed through many successive improvements. Finally, steel rails in the place of iron rails had been adopted as the most perfect, durable, safe, and economical rails on extensive lines of road. Bridges were first made of wood, then of stone, then of stone and iron. Grades originally crossed, and, in most cases, do still cross, highways and other roads on the same level. The most improved plan is to have them, by means of bridges, pass over, or under, intersecting roads. A single track is all that is deemed necessary to begin with; but now, no railroad of any pretensions is considered perfect until it has at least a double track. Depots and station-houses are at first mere sheds, which are deemed sufficient to answer the purpose of business. These are succeeded, as the means of the company admit, by commodious station- and freight-houses, of permanent and ornamental structure. And so the process of improvement goes on; so that it is often a nice question to determine what is meant by a complete, first-class railroad."

"And declaring what are proper expenditures, he further said:

"Having considered the question of receipts or earnings, the next thing in order is the expenditures which are properly chargeable against the gross earnings in order to arrive at the 'net earnings,' as this expression is to be understood within the meaning of the Act. As a general proposition, net earnings are the excess of the gross earnings over the expenditures defrayed in producing them, aside from, and exclusive of, the expenditure of capital laid out in constructing and



equipping the works themselves. It may often be difficult to draw a precise line between expenditures for construction and the ordinary expenses incident to operating and maintaining the road and works of a railroad company. Theoretically, the expenses chargeable to earnings include the general expenses of keeping up the organization of the company, and all expenses incurred in operating the works and keeping them in good condition and repair; whilst expenses chargeable to capital include those which are incurred in the original construction of the works, and in the subsequent enlargement and improvement thereof. With regard to the last-mentioned class of expenditures, however, namely, those which are incurred in enlarging and improving the works, a difference of practice prevails among railroad companies. Some charge to construction account every item of expense and every part and portion of every item which goes to make the road, or any of its appurtenances or equipments, better than they were before; whilst others charge to ordinary expense account, and against earnings, whatever is taken for these purposes from the earnings, and is not raised upon bonds or issues of stock. The latter method is deemed the most conservative and beneficial for the company, and operates as a restraint against injudicious dividends and the accumulation of a heavy indebtedness. The temptation is, to make expenses appear as small as possible, so as to have a large apparent surplus to divide. But it is not regarded as the wisest and most prudent method. The question is one of policy, which is usually left to the discretion of the directors. There is but little danger that any board will cause a very large or undue portion of their earnings to be absorbed in permanent improvements. The practice will only extend to those which may be required from time to time by the gradual increase of the company's traffic, the dispatch of business, the public accommodation, and the general permanency and completeness of the works. When any important improvement is needed, such as an additional track, or any other matter which involves a large outlay of money, the owners of the road will hardly forego the entire suspension of dividends in order to raise the requisite funds for those purposes; but will rather take the ordinary course of issuing bonds or additional stock. But for making all ordinary improvements, as well as repairs, it is better for the stockholders, and all those who are interested in the prosperity of the enterprise, that a portion of the earnings should be employed. \* \* \* We are disposed to agree, therefore, with the Judge who delivered the concurring opinion in the court below, that the twenty-seventh item of expenditure, as stated in the table of expenses in the eighteenth finding, entitled 'Expenditures for station building, shops, etc.,' is a charge that may properly be made against earnings, since, as the fact is, such expenditures were actually paid therefrom, and were not carried to capital account."

The same idea is variously illustrated in the following cases: *United States vs. Kansas Pacific R. R. Co.*, 99 U. S. 455; *St. John vs. Erie Ry. Co.*, 22 Wall. 130; *N. Y. & L. E. & W. R. R. Co. vs. Mekals*, 119 U. S. 296; *Warren vs. King*, 108 U. S. 239; *Mobile & Ohio R. R. Co. vs. State of Tenn.*, 153 U. S. 495; *Barnard vs. Vermont & Mass. R. R. Co.*, 7 Allen, 512; *Nimol vs. Paine*, 99 Mass. 106-107; *Elkins vs. Camden & Atlantic Ry. Co.*, 37 N. J. Eq. 238; *Dent vs. London Tramways*, L. R. 16 Ch. 344.

The character of the improvements, as shown by the report and charged

as operating expenses, for 1894, are the same as those described in the *Reagan case* and also in *Union Pacific R. R. vs. United States*.

The character of those claimed for 1895 are not so explicitly described, but they may fairly be presumed to be the same.

The competency of the charge under the leases depends, of course, upon their provisions, and a consideration of them will necessarily be somewhat detailed. It is provided in the lease from the Oregon & California Railroad Company that the complainant shall pay out of the earnings and income "the expenses of repairing, maintaining, improving, adding to, and keeping up the said leased railroads, with their appurtenances." Construing this provision by the light of the *Reagan case*, and other cases *supra*, the expenditures made are properly chargeable against the income, nor do I think the subsequent provisions of the lease make those expenditures a lien on the future income or on the demised premises, because they only give a lien "for advances to or for the party of the first part for additions or improvements of the demised premises, or any part thereof \* \* \* not paid by the party of the second part under the lease."

The italics are mine, and the provision indicated by them removes the expenditures under the lease from the objection made against them.

The lease of the Central Pacific Company gives more latitude to construction. It is dated the 7th day of December, 1893, but it is the final modification of a lease made on the 17th day of February, 1888, and a construction of it is helped by a consideration of the latter. In this it is recited that it is for the mutual advantage of the contracting parties; that neither (to quote its words) "is to be benefited at the expense of the other." This is put as one of the conditions of the letting, and when it ceases to be that a modification may be requested. The letting was for the period of ninety-nine years, and under it the Southern Pacific Company incurred many obligations. Among them, was one to pay a rental of \$1,200,000, to be increased if justified by the income, and that it would "keep and maintain the property hereby leased in good order, condition, and repair; operating, maintaining, and adding to and bettering the same at its own expense."

This provision made the improvements and betterments an expense to be borne by the Southern Pacific Company, and hence one to be allowed to it in estimating its gains or losses. But the lease was modified in 1893. It was also modified in 1888, but not in any of the provisions we are now concerned with. In the modification of 1893, it was recited as a reason for it that the Central Pacific Company "has been and is being benefited at the expense of the Southern Pacific Company, and the necessity has therefore arisen for a revision and change of such lease so that neither party thereto shall be benefited at the expense of the other." The modification then made was radical. Instead of the numerous obligations of the other lease, its large rental and the larger one of the modification of 1888, and the obligation to add to and better the road at its expense, the Southern Pacific Company only contracts to pay a rental of \$10,000 in installments, which was required to be applied by the Central Pacific Company to the expense of maintaining and keeping up its corporate organization.

And then it is provided that on the first day of April in each year the Southern Pacific Company shall pay to the Central Pacific Company such balance, if any, of the net earnings or income received by it for the

year ending the 31st of December, then next preceding, as shall remain in its hands after all the payments thereinbefore provided for or agreed or directed to be made. It is further provided that, if advances be made by the Southern Pacific Company for the various purposes mentioned in the lease, "to or for or upon the request of" the Central Pacific Company, "other than such as fall within the payments before provided to be made by the lessee out of the earnings or income," the Southern Pacific Company may be entitled to pay to itself with interest. And it is further provided that, after the payments are made which are stipulated for, if the balance of the net income exceed 6% of the par value of the capital stock of the Central Pacific Company, one half of such excess shall belong to the Southern Pacific Company. The payments and advances made by the Southern Pacific Company are to bear interest at 6% per annum, and are to be a lien on the demised premises and the income thereof, unless there be an agreement in writing to the contrary. It is stipulated that the leases of February, 1885, and January, 1888, be canceled, except as they relate to the operation of the demised premises prior to January 1, 1894, and also that the lease may be at any time modified or canceled.

There was another modification which changed paragraph four by making the interest on advances lawful interest instead of 6%, and by omitting the lien on the demised premises, and by providing for arbitration if the parties could not agree upon the terms of modification.

The difference between the lease as it was first made and as it became after being modified, makes clear the interpretation of the latter. Under the former the Southern Pacific Company was to pay to the Central Pacific Company a rental of \$1,200,000, subject to be increased, if the revenue justified, to a sum not exceeding \$2,400,000. Under the latter a rental of \$10,000 was to be paid, which was to be applied to a special purpose. Under the former the Southern Pacific Company was to keep, maintain, repair, add to, and better the same at its own expense, pay taxes and all other charges (nearly), and the income of the road was to be its. Under the latter the Southern Pacific Company is to operate the railroad branches and leased lines and apply the earnings and income derived therefrom to paying all operating expenses thereof, and the incidental expenses connected therewith, including the sums payable for rentals of leased lines, and according to their lawful priorities, to the payment of the current interest and sinking-fund contributions, or other payments from time to time becoming due and payable from said Central Pacific Railroad Company, whether to the United States of America, or to bondholders or others, during the existence of this lease, and pay the balance of the income to the Central Pacific Company.

It is clear, therefore, that if the railroad was added to or bettered it was to be out of the income which the Central Pacific Company was entitled, and which would, if not so expended, be paid to it. It is true that the lease provides for the contingency of the payment of such expense by the Southern Pacific Company, but it also provides for its repayment, so that it is not, in any case, a deduction from its revenue. If it be said that the *Reagan case* makes such expenses proper as operating expenses, the answer is, it was competent for the parties to stipulate otherwise, and now to hold it a charge on the Southern Pacific Company would be to restore the liability of the lease as it stood in 1888, and

which was altered as far as omissions and explicit enumeration could alter it. Hence, it follows that the item of \$111,786 71, for betterments and additions to the Central Pacific Company, should not be allowed as an expenditure of the Southern Pacific Company.

Under the lease of the California Pacific road, the Southern Pacific Company is required to "better the same at its own expense." The expenditure, therefore, was by it made, and in its report it was charged to itself. The effect is not altered by the fact that at the end of fifty years the company is to receive the then cash value of the additions and betterments made during the term of those which the report shows were made, and it would be hard guessing to say what traces of them would be left in fifty years.

The lease of the Northern Railway Company provides that additions and betterments are "a charge to the said lessor, and the settlement therefor shall be made annually." They, therefore, should not be allowed to the Southern Pacific Company.

The lease of the Northern California Railroad provides that the Southern Pacific Company shall "add to and better the same during the term." This expenditure, therefore, is a proper charge of the Southern Pacific Company.

The lease of the South Pacific Coast Railroad Company is too long to quote. It is said by counsel for respondents that it "is a virtual conveyance of the property for the term (fifty-five years) without any recompense to the lessor other than the payment of its annual liabilities and the guaranty of its bonded indebtedness." Granting this is so, it yet devolves upon the Southern Pacific Company to maintain the road, and the making of such improvements, as have already been described, was a proper expenditure by it, hence a proper item of charge to be made by it.

In the omnibus lease, so called, in which the Southern Pacific Company (of California, Arizona, and New Mexico, respectively) lease to complainant, there is this provision:

"Third—The betterments and additions to said leased properties shall be made by the said Southern Pacific Company, and settlement therefor made annually at the same time that payment is made for the net profits, as herein provided; and each of said railroad companies shall be charged respectively with the amount of payments made for betterments and additions to the property owned by it."

This makes the betterments and improvements an expenditure of the several companies, not of the Southern Pacific Company, and, therefore, not to be allowed to it.

The remaining objection is that made to the rental of \$600,000 to be paid to the California Pacific road.

There was a somewhat confusing concession made as to this item. Including that item, it was said that the net deficit on that road was \$54,905 65, shown by the report. But it was said, to put the system on a basis of receipts and expenditures, it was improper to include the whole of it, but only the difference between the amount and certain fixed charges, amounting to \$347,868 50; that is, \$252,131 50.

But it is not very clear why the fixed charges should be charged and the rent not charged, or why the former should be deducted from the latter. As we have seen, and shall see, it is the expenditures of the Southern Pacific Company which we can only consider. Was the rent

or were the fixed charges such an expenditure? By the terms of the lease there was to be paid by the Southern Pacific Company to the California Pacific Company a rental of \$600,000 per annum, and it is provided that "it will, during said term, keep and maintain said property in good order, condition, and repair, and operate, add to, and better the same at its own expense, and will pay all taxes legally assessed against or levied thereon." The rent, therefore, is as much an annual expenditure as the taxes and betterments are, and why, then, should it not be allowed, or why should something be allowed out of it or instead of it which is not an expenditure to the Southern Pacific Company? The objection to allowing the rental is stated by one of the counsel to be that any rent could be charged or successive lettings be made with successive rentals, and all with the same propriety and legality be charged. Whether this would be done is improbable; that it could be done legally would depend upon good faith and the relation and proportion of the rent to the property. I see, therefore, no objection to this charge of \$600,000 rental. It is an annual expenditure of the Southern Pacific Company, to be annually reimbursed to it from the income of the road with other expenditures. The deficit on that road, therefore, can be regarded, if the other charges are correct, to be \$54,905 65.

The total amount to be deducted from the expenditures of the Southern Pacific Company, on account of betterments and improvements, is as follows:

Central Pacific Company .....	\$111,786 71
Northern Railway Company .....	21,727 85
Southern Pacific of California .....	228,756 68
Southern Pacific of Arizona .....	27,571 59
Southern Pacific of New Mexico .....	178,768 32
	<hr/>
	\$568,608 65
Adding to this the deficit on the Oregon & California road, to wit .....	541,355 71
	<hr/>
Makes a total of .....	\$1,109,964 36
Deducting from this .....	54,905 65
	<hr/>
It leaves, as a surplus to the system, for 1894 .....	\$1,055,058 71

As to the year 1895, the bill alleges as follows:

"That for the first six months of the current year, to wit: from the 1st day of January to the 30th day of June thereof, which is the latest time to which your Orator is able to bring down its statistics, the total receipts and expenditures of your Orator in the operation of said Pacific System of railroads were as follows, namely:

<i>Receipts.</i>	
Gross earnings from operations .....	\$14,727,319 96
Interest and other net income .....	64,166 87
Rentals from terminals and other property .....	44,638 94
	<hr/>
	\$14,836,125 77

*Expenditures.*

Operating expenses, renewals, and improvements to equipment and roadways .....	\$10,738,982 95
Taxes .....	497,040 00
Rentals for railroads, terminals, bridges, and other property...	453,141 41
Interest on bonds .....	4,209,804 47
Sinking-fund payments on mortgages of Central Pacific Railroad Company .....	113,333 33
Payments to United States for Central Pacific Railroad Company .....	300,000 00
	<hr/>
	\$16,312,302 16

thereby leaving a deficiency between the receipts and expenditures of your Orator for said period of \$1,476,176 39."

It is objected by respondents that by this showing 1895 cannot be judged, because the difference between receipts and expenditures for operating expenses is greater in the last six months of the year. The percentage of increase in each is given by the Attorney-General, and admitted by counsel for complainant, to be 11% for receipts and 3% for operating expenses.

Assuming this increase, the first and last half of 1895 would compare as follows; including in operating expenses improvements and betterments and excluding fixed charges, such as interest, taxes, and the like:

Receipts from operations for the first half, as per bill .....	\$14,727,319 93
Operating expenses .....	10,738,982 95
11% increase of receipts from operations, second half of year...	1,620,005 20
3% increase of expenses .....	322,169 49

These amounts added to those of the bill give us receipts and expenses for the last half of the year as follows:

Receipts .....	\$16,347,325 16
Expenses .....	11,061,152 44

The total receipts for the year from operations, then, would be \$31,074,645 12; operating expenses, \$21,801,135 89.

To earnings from operations must be added receipts from other sources. These are stated in the bill to be, for the first half of the year, as follows:

Interest, and other net income .....	\$64,166 87
Rentals from terminals, and other property .....	44,638 94
Total .....	<hr/>
	\$108,805 81

Assuming that the same amounts would be received from the same sources, we would have as the amount to be added to earnings, \$217,611 62.

To expenses must be added the expenditures for other purposes than operation. These are stated in the bill to be as follows:

Taxes .....	\$497,040 00
Rentals for railroads, terminals, bridges, and other property...	453,141 41
Interest on bonds .....	4,209,804 47
Sinking-fund payments on mortgages of Central Pacific Railroad Company .....	113,333 33
Payments to the United States for Central Pacific Railroad Company .....	300,000 00
Total .....	<hr/>
	\$5,573,319 21

Assuming that there must be a like expenditure for like purposes for the second half of the year, and the total expenditures would be \$11,146,638 42.

Making these additions, respectively, to earnings from operation and expense of operation, and the receipts and expenditures for 1895 would be as follows:

Receipts.....	\$31,294,256 74
Expenses.....	32,949,774 31

Making a deficit of \$1,655,517 57.

In this computation there is allowed as an expenditure the improvements and betterments, and also, it may be assumed, a payment of interest on the bonded debt of the Oregon & California road. If these may be assumed to be the same as in 1894 (the betterments were probably less—the deficit on account of the payment of interest was probably more) the following deduction from expenditures should be made:

For improvements and betterments.....	\$568,608 65
Oregon & California deficit.....	541,355 71
Total .....	\$1,109,964 36

This would make the true deficit for 1895 on the Pacific System, \$545,553 21.

On the argument, complainant's counsel claimed items of expenditure for 1894, not shown by the bill, but claimed to be shown by the report, as per the following table:

	S. P. of Cal.	C. P. R. R.	Nor. Ry.
Land Department expenses .....	\$44,716 35		
Corporation expenses .....	29,523 34	\$43,263 83	
Taxes on land .....	13,186 57	17,510 98	
Back taxes .....	218,384 20	220,612 29	\$20,205 32
Totals .....	\$305,810 46	\$281,387 10	\$20,205 32
Less miscellaneous receipts, etc. (p. 117) .....		64,069 90	(This for whole road.)
		\$217,317 20	

*Summary.*

S. P. of Cal.....	\$305,810 46
C. P. R. R. ....	217,317 20
Nor. Ry.....	20,205 32
Total .....	\$543,332 98

For 1895 they claim back taxes, payable under a late decision of the Supreme Court, as follows:

Central Pacific Railroad.....	\$198,161 18
Southern Pacific of California.....	166,904 81
	\$365,065 99

It is seriously disputable whether land-office expenses or taxes on lands are a proper expenditure. If so, land-department revenues should be a proper receipt, and if they be appropriated to a particular purpose it should only be the net revenues after the expenses of sale. Taxes on

any year are, undoubtedly, a proper charge against that year, but it is very doubtful if the accumulation of many years can be charged against a particular one. However, it is not necessary now to decisively pass on these points.

The bill alleges: "That the earnings and expenses of said railroads entirely within the State of California, received and paid by complainant during the six months ending June 30, 1895, were as follows, to wit:

<i>Receipts.</i>	
Gross earnings from operations .....	\$9,785,539 99
Interest and other net income .....	102,432 89
Rentals from terminals and other property .....	44,638 94
	<hr/>
<i>Expenditures.</i>	\$9,932,611 82
Operating expenses, renewals, and improvements to equipment and roadway .....	\$7,137,853 49
Taxes .....	334,572 68
Rentals for railroads, terminals, bridges, and other property .....	398,447 39
Interest on bonds .....	2,742,929 55
Sinking-fund payments on mortgage of C. P. R. R. Company .....	92,500 00
Payments to United States for C. P. R. R. Company .....	80,000 00
	<hr/>
	\$10,796,303 11

thereby leaving a deficiency between the receipts and expenditures of your Orator, upon said lines for said period of six months, ending June 30, 1895, of \$863,691 29."

If we make the same percentage of increase to ascertain the receipts and expenses of the last half of the year, as we did for the Pacific System, the result will be as follows:

<i>Receipts.</i>	
Earnings from operations first half of year .....	\$9,785,539 99
Second half .....	10,861,409 39
From other sources .....	294,143 66
	<hr/>
Total .....	\$20,941,093 04
<i>Expenditures.</i>	
Operating expenses, renewals, and improvements to equipment and roadbed, first half of year .....	\$7,137,853 49
For second half of year .....	7,351,989 09
Other expenses .....	7,316,899 24
	<hr/>
Total .....	\$21,806,741 82

Making a deficit of \$865,648 78.

From this, improvements and betterments must be deducted, and, assuming these to be the same as on the California roads in 1894, but which are probably less, they amount as follows, omitting those on the Central Pacific Railway Company:

S. P. R. R. Co. of California .....	\$228,756 68
Northern Railway Company .....	21,727 35
	<hr/>
Total .....	\$250,484 03

The expenditure for betterments and improvements on the Central Pacific Railroad Company were \$111,786 71; but all of this cannot be assigned to California.

The road is 1,359.05 miles long, of which 757.09 miles are in California; so, disregarding fractions of miles, the amount of the expenditure



to be assigned to California is \$62,268 24, making the total amount to be deducted for betterments and improvements, \$312,752 27, which makes the deficit for 1895 from the operation of the road entirely in California, \$552,896 51.

In this computation is not included land-department expenses, taxes on land, back taxes, or taxes on franchises held legal by the Supreme Court.

From this showing it is perfectly evident that there should be no reduction of rates of the Southern Pacific Company, either regarding the Pacific System or the California roads, unless its business increase. Is there a prospect of that so near that the Court will be justified in dissolving or withholding its injunction against the new rates?

It is alleged in the bill that when the rates in California were established by complainant they "were no more than sufficient to enable your Orator to operate said railroads as aforesaid, and so remained down to the commencement of the year 1894. That in said year an unusual depression in business occurred, and the freight and passengers offered to your Orator for transportation over said railroads were so reduced in quantity and number that your Orator was unable, from the income derived therefrom, at the rates aforesaid, to pay the charges, costs, and expenses necessary for the conduct of its business and the security of its property, as hereinbefore set forth. That said business depression has continued to the present time, and there is no indication that it will be relieved, or the volume of freight and passenger traffic be increased, during the present or the next ensuing year; and your Orator is informed and believes, and therefore avers, that said business depression will not be relieved, or such freight and passenger traffic be increased, during the present or the next ensuing year."

These allegations of the depression of business and the possibilities of its continuance were attempted to be supported or denied by the respective parties by affidavits, necessarily more or less speculative and conjectural, and the power of the Court to take judicial notice of it and make special applications of it was asserted or denied. But there need be no conjecture, nor need the Court resort to any but the ordinary methods of proof. The business of the complainant has certainly decreased, as is apparent from the evidence. How 1894 compared with 1893, I do not know; how 1894 compared with 1895 has been shown, and the difference is easily understood and accounted for. It could have no other cause but a depression in business affecting the market and transportation of all articles.

The depression existed when the bill in this case was filed, to wit: October 14, 1895, and there has been nothing offered to show a change. I may not assume one, even from the sources of judicial notice so definite as to time or amount as to determine a judicial view or action. But this is not seriously important. The regulation of the rates on classes of freight other than grain does not now embarrass our consideration. Before final action shall be determined or taken on them by the Board of Commissioners, before they shall be expressed in a schedule, this case can be tried. Before any considerable movement in grain it can be tried, and the conclusions from this preliminary showing be confirmed or refuted and a final injunction be granted or denied. I cannot refrain from saying, to that opportunity and time the parties to this suit should eagerly look and eagerly prepare. Great problems are awaiting solution,

which will receive their solution, or commence to receive their solution, then, and by it. Then and by it will be shown whether that allegation of the complaint be true "that the rates now in force upon the several railroads operated by it as aforesaid have been fixed according to circumstances and conditions surrounding the traffic, and with a careful regard for the financial, commercial, and competitive conditions which enter into, affect, or control the making and relative adjustment of rates and classifications and commodities in the territory traversed by said railroads, and are equitable and fair to the patrons of said railroads, and in many cases are now fixed at the actual cost of transportation, by reason of competition with other carriers by railroad and water." Or that other averment of respondents be true, that "affiant is informed and believes, and the history of the complainant corporation in this State, with which he is familiar, confirms him in such belief, and he therefore avers that in many cases the rate of transportation is fixed at about the actual cost of such transportation at points where it is the interest and object of complainant to crush out opposition and destroy the property of competing common carriers; and that large expenditures of money have been made which were unwarranted and uncalled for by the commercial conditions existing at the present time, or in the near future, but that such expenditures were made and large properties created for the purpose of destroying competition and destroying the property interests of others who enter into competition as common carriers, and the discriminating rates are made in favor of persons and places which approximate the cost of transportation with the view to serve the ends and objects of this complainant in the creation of a monopoly, and the losses entailed by such reduction of rates and discrimination and creation of property are unjustly and unreasonably fixed upon charges of freights and rates in other portions of the State, that the revenue of this complainant corporation may be maintained without regard to the true interests of commerce, and the rights of the public, or the justness or reasonableness of the rates of charges for the transportation of freight within the State of California."

The view I have taken of the showing made by the complainant makes it unnecessary to consider that made by the United States. In the latter there are elements which are not in the former, and to give them proper attention would delay decision too long. Besides, the right of the Government to intervene was again challenged by respondents, and with such strength of objection (although supported with ability) as to justify a review of its allowance, but which I think is better postponed to a later stage of the case.

The order of the Court, therefore, is, that that part of the order staying the execution of the resolution of the Board of Railroad Commissioners, reducing rates on grain 8%, be continued until the further order of the Court; that the balance of the restraining order be dissolved.

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